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Daily Report

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General

Diplomatic Security Tightened; Protests Rejected

HK1801114091 Hong Kong AFP in English 1137 GMT
18 Jan 91

[Text] Beijing, Jan 18 (AFP)—Chinese public security authorities said Friday they had rejected an application by Arab students to stage an anti-American protest here.

Also Friday, a special Chinese police bomb disposal unit removed a suspicious parcel placed outside one of the diplomatic compounds here, but could not immediately confirm if it contained explosives, a witness said.

"The Public Security Bureau supports peace and opposes war in order to maintain social stability. Therefore we did not approve their demonstration," a bureau spokesman said.

The Arab students had applied to demonstrate in front of the U.S. Embassy to condemn Washington's massive air attack on Iraq on Thursday, according to a Muslim student in contact with them.

"Arab student sentiment is decidedly anti-American," the student said, adding that "all the (Arab) students are Saddam lovers," a reference to Iraqi President Saddam Husayn.

Other students said police patrols at the gates of Beijing University had been stepped up Thursday, adding that Chinese officials went to the university to check on the security of American students there.

The bomb squad closed two of the gates leading to the diplomatic compound and blocked the adjacent street to all traffic after a small white box was found outside the compound.

The unit, part of embassy security, carefully wrapped up the parcel in what looked like a heavy black tarp and placed it into a police van, which drove off, the witnesses said.

The British Embassy also received what they suspected of being a letter bomb last week. The Chinese police exploded the letter, but later reported that it did not contain explosives.

The Chinese have stepped up security around diplomatic missions here, including the American, British, Iraqi and Kuwaiti embassies.

A U.S. diplomat said Friday that Chinese security authorities would not allow any form of protest in response to the Gulf war, by the mainland's own Muslim population or by Arabs living in China.

"The Chinese have said that they don't want any demonstrations from any people," the diplomat said.

Arab exchange students living in China include Iraqis, Iranians, Libyans and Palestinians, whose countries are considered the greatest threat to Westerners.

The students estimated that there were about 200 Arab exchange students living in the Chinese capital.

China also has a large Muslim population, many of whom are concentrated in Xinjiang, in far-west China.

Western diplomats also said they had reports that meetings were taking place between Iraqi diplomats here and Arab students.

"The meetings are going on and the Chinese are aware of it," the U.S. diplomat said.

"The Chinese have assured us categorically that (acts of terrorism) could just not be done, but at the same time they have increased security," the diplomat said.

Reportage on Iraqi Missile Strike on Israel

Foreign Ministry Spokesman

HK1801102291 Beijing XINHUA in English
1018 GMT 18 Jan 91

[Text] Beijing, January 18 (XINHUA)—China strongly appeals to prevent the escalation of the war in the Gulf region.

The appeal was made by a Chinese Foreign Ministry spokesman here this afternoon when he was asked to comment on the report that Iraq had fired missiles to Israel and that Israel would counterattack.

The spokesman said that China is "extremely concerned over this further expansion of the war in the Gulf region."

He said that China strongly appeals to all the parties concerned to "exercise the greatest restraint and prevent the escalation of the war, so that the people of all the countries in the Middle East will not be plunged into greater disasters."

Bush 'Outraged'

OW1801040391 Beijing XINHUA in English
0327 GMT 18 Jan 91

[Text] Washington, January 17 (XINHUA)—President George Bush was "outraged" by and "condemned" the Iraqi missile attack at Israel, the ABC reported.

The President was meeting with his security advisors in the White House this evening to discuss U.S. response to the missile attack, the TV network said.

"It's what we've been worried about all along," Pentagon Spokesman Pete Williams said.

Bush had urged Israel to refrain from retaliating if it was attacked by Iraq, for fear that the Israeli move would undermine the anti-Iraqi coalition.

An ABC correspondent said that Scud missiles fired by Israel were all conventionally tipped.

Israel's Government said that it would not retaliate, CBS said.

U.S. Retaliation Promised

*OW1801074691 Beijing XINHUA in English
0417 GMT 18 Jan 91*

[Text] Cairo, January 18 (XINHUA)—U.S. President George Bush has promised Israeli Prime Minister Yitzhak Shamir that the United States will retaliate "intensively" against Iraq for its missile attacks on Israel this morning, reports reaching here said.

Observers say that may explain Israel's initial restraint in counter attacking Iraq immediately after being hit by the Iraqi missiles.

Israeli Cabinet Meets

*OW1801074391 Beijing XINHUA in English
0652 GMT 18 Jan 91*

[Text] Cairo, January 18 (XINHUA)—Israeli Prime Minister Yitzhak Shamir Friday called an emergency cabinet meeting over whether to retaliate for an Iraqi missile attack against Israel, Israel Radio reported Friday.

"The government ministers will have to decide this morning whether they are satisfied for now" with the U.S. promise or whether Israel will activate on its own its right to self defence," the radio said. The United States, who was outraged by Iraqi missile attack on Israel, promised to retaliate against Iraq, while asking Israel to remain restrained so as not to split the anti-Iraqi ally. The radio said Israel was in "very close contacts" with the United States which would continue until Shamir convened the meeting of his government.

USSR 'Concerned'

*OW1801104591 Beijing XINHUA in English
1008 GMT 18 Jan 91*

[Text] Moscow, January 18 (XINHUA)—The Soviet Union is concerned about new developments in the Gulf war, calling the Iraqi missile attack on Israel Thursday night "a new dangerous turning point in the Gulf conflict," the Soviet News Agency TASS reported today.

The Soviet Union has been making all efforts to "prevent hostilities" and persuade the Iraqi leadership to "comply with the world community's just demands" from the very beginning of the Iraqi aggression against Kuwait last August 2, TASS said.

Editorial Urges Restraint in Gulf Situation

*HK1801075391 Hong Kong TA KUNG PAO in Chinese
18 Jan 91 p 2*

[Editorial: "Exercise the Greatest Restraint, Prevent the Flames of War from Spreading"]

[Text] The Gulf situation, with which the whole world is deeply concerned, culminated in the flames of war yesterday. With the United States as the main force, the air forces of many countries made some 1,300 sorties from the small hours yesterday and dropped 18,000 tons of bombs, which was equivalent to the might of the atomic bomb dropped on Hiroshima in the last period of World War II. Iraq's facilities—including radars, telecommunications, missile launching sites, and oil refineries—incurred serious losses.

The worries of the people in the world are that once the flames of war broke out, its future development is likely to seriously affect the world's peace and stability. Bush announced that the air raid on the first day was successful and asserted that a quick battle will be fought to force a quick decision. After Baghdad was raided for five hours, President Saddam Husayn of Iraq delivered a speech at a radio station, stating that the war had begun and Iraq would by no means yield. It is now hard to foretell if it is an evil omen of the continuous flames of war, but the world is more concerned with the development of the war situation.

UN Secretary General Javier Perez de Cuellar described the flames of the Gulf war as a great tragedy and demanded that Iraq immediately withdraw its troops from Kuwait to quickly achieve peace in the Gulf. U.S. President Bush said that the target of this move is to destroy Iraq's potential capacity to make nuclear weapons and its chemical weapons plants, and to drive the Iraqi troops away from Kuwait. He did not mention that troops would be sent into Iraq to subvert Saddam's regime. However, once the flames of war were kindled, the war has its own law. If restraint is not exercised, as all sides are anxious to gain victory, they will often each go to extremes.

After the outbreak of the flames of the Gulf war yesterday, a spokesman of China's Ministry of Foreign Affairs issued a statement, expressing the Chinese Government's worries and misgivings about this and strongly appealing to the two belligerent parties to exercise the greatest restraint and to prevent the flames of war from spreading and expanding so that the international community can take emergency actions to continuously seek a way and method to settle the conflict in a peaceful way. This statement is, as it were, to the point and in good time and expresses the world's worries about the deterioration of the Gulf situation and the people's aspirations for peace.

Since the outbreak of the Gulf crisis in August, China has clearly and definitely expressed its stand on this issue time and again: It first opposed Iraq's invasion of

Kuwait by force and demanded unconditional withdrawal of the Iraqi troops and restoration of the legal government of Kuwait. In the Security Council, China voted in favor of 11 resolutions on condemning Iraq for invading Kuwait and demanding withdrawal of the Iraqi troops, which include China's agreement with the Security Council on applying economic sanctions against Iraq to force Iraq to withdraw its troops. But China abstained from voting for "Resolution No. 678" of the Security Council on authorization to send troops. China has consistently opposed the settlement of international disputes by force. Foreign Minister Qian Qichen of China went to the United Nations to attend its Security Council on two occasions and visited countries in the Middle East, including Jordan, Saudi Arabia, and Iraq. He emphasized China's stand and enjoyed the appreciation of the Middle East and the Third World.

The flames of the Gulf war have been kindled now and people in the world are unwilling to see the development of such a situation. If the two belligerent parties immediately exercise restraint, do not expand the flames of war, and allow the international community and the Third World to mediate, there is still hope for peace. Conversely, if the flames of war are allowed to expand, the opportunity for peace will finally vanish and the war situation can hardly be controlled, as well. In any case, Iraq must withdraw its troops from Kuwait immediately and no bargain can be made.

With the superiority of their powerful sophisticated weapons, the allied multinational troops can destroy Iraq's air force and the military facilities in its rear. The next step is that after the U.S. troops have a complete command of the air, they can push forward into Kuwait. However, as the two parties have deployed more than 1 million soldiers, if the actual strength of the Iraqi troops is still maintained after the air raids, the casualties of the U.S. troops will increase. Whether or not the United States can be optimistic about the way to fight a quick battle to force a rapid decision completely depends on the battle of its ground forces. If the Iraqi troops' morale is low and they are routed at the first encounter, the United States will recapture Kuwait very quickly; otherwise, the war will be long and drawn out.

What is more worrying is that if Israel is involved in the war, the war zone will surely be expanded and the situation will be more complicated. There also will be changes in the two belligerent parties.

In light of its financial and economic state today, the United States can hardly support a long, drawn-out war, and the people's antiwar force at home also will not permit Bush to let more American young people shed blood for the sake of petroleum. Once the United States cannot fight a quick battle to force a rapid decision, the situation will change.

On the other hand, even if the U.S. troops gain victory, the petroleum facilities destroyed during the war can hardly be restored, the United States cannot achieve its

aim of ensuring petroleum, and a calamity will be brought to the U.S. and world economy.

A clue to the development of the war situation may be seen in a few days should the ground war be fierce, the Iraqi troops' morale prove high, and the war situation be drawn out. The war between Iraq and Iran continued for eight years, and how long this Gulf war will continue will be a severe test to both parties.

The Gulf crisis has a bearing on the peace of the Middle East and the world, and affects the development of the people's livelihood and the economies of all countries more seriously. Many instances since World War II show that war cannot settle problems. While the flames of this Gulf war are still at the initial stage and have not developed into ground warfare, the international community should come out to mediate in order to turn the foul atmosphere into an auspicious one. The opportunity will pass quickly and mediation cannot be delayed.

'Roundup' Examines 'Desert Storm' Progress

OW1701193991 Beijing XINHUA in English
1714 GMT 17 Jan 91

[“Updated Pentagon Roundup: U.S. Claims Gulf War Going on Very Well”—XINHUA headline]

[Text] Washington, January 17 (XINHUA)—The “Operation Desert Storm” has been going on very well during the past 14 hours and the U.S. will continue attacking Iraq until the planned objectives are achieved, U.S. military leaders said this morning.

Defense Secretary Dick Cheney, at a Pentagon press conference, said: “To date, the operation is going very well....we’ve now flown over 1,000 air sorties in the first 14 hours of the operation. There have been over 100 TLAMS, Tomahawk cruise missiles, launched as well.”

Colin Powell, chairman of the Joint Chiefs of Staff, also said at the news conference: “We’re very satisfied with that level of performance on the part of our aircraft. We are pleased with the initial results. We have damaged the command and control capability of the Iraqi Government and the Iraqi Armed Forces.”

General Powell told the press: Of all the U.S. and its allied air sorties that attacked Iraqi targets, “we are rating 80 percent of them as having been effective, meaning the aircraft got to its target, delivered its ordinance, and returned.”

“For those that are in the 20 percent, that includes those that had mechanical problems, weather problems, or because of the very tight control we had over the aircraft, they did not make the kind of positive identification of the target,” Powell added.

So far, Secretary Cheney said, there have been a single American plane lost and one British aircraft lost and an American military individual killed in carrying out the multi-nation operation.

But Powell added: He also had a report of one other U.S. aircraft damaged. "There may be others, but those reports have not come into me yet," he said.

The Iraqi military claimed that Iraq has shot down 14 warplanes of the U.S. or of its allies. "At present we are in the process of using our intelligence assets to assess the damage that has been achieved," Mr. Cheney said, adding: "As that process is completed decisions will be made about going back to restrike those targets that require additional attention, while we at the same time continue to pursue and carry out the original plan for mission."

The secretary stressed: The Storm operation "will continue until we achieve our objectives of forcing Saddam Husayn out of Kuwait and implementing the United Nations Security Council resolutions."

But he also cautioned that as the war is still on the early stage, it should be "careful about claiming victory or making assumptions about the ultimate cost of this operation in terms of casualties."

The raids launched from Saudi Arabia and from among six aircraft carriers in the Gulf and Red Sea were aimed at cutting off Iraqi President Saddam Husayn's ability to communicate with his forces and at eliminating his chemical weapons capability and nuclear facilities believed on the verge of being able to assemble a crude nuclear device.

Planes from the United States, Britain, Saudi Arabia and Kuwait took part in the waves of raids, with U.S.-made F-15E "Strike Eagle" night fighters thundering off a central Saudi air base, reports said.

While no details on targets were released by the Pentagon, they included Iraqi anti-aircraft radar and missile sites, command and communication facilities and chemical and nuclear facilities. Chemical and nuclear facilities in Iraq are located in and near the towns of Basrah, Samarra, Bayji, Irbil and al-Mawsil.

According to UPI reports, in addition to targets around Baghdad, the multi-national warplanes were believed to have attacked a Scud missile site in western Iraq that threatened Israel.

The Operation Desert Storm, which involves some of the most sophisticated weaponry on Earth, is expected to run for some time, and neither Powell nor Cheney would speculate about whether ground forces would be called in.

Iraq has approximately 540,000 troops in the desert theater and 4,200 tanks, military sources said. And allied forces total 690,000 troops with 100 warships, including six aircraft carriers and 1,800 fixed-wing aircraft.

First Day of 'Desert Storm' Operation Summarized

OW1801074291 Beijing XINHUA in English
0656 GMT 18 Jan 91

[By Zhu Changdu]

[Text] Cairo, January 17 (XINHUA)—The U.S.-led multinational forces launched its operation "Desert Storm" early this morning with two rounds of air attacks on Iraq.

The first air raid which started at 3 o'clock local time (0:00 GMT) charged at military targets in Baghdad, capital of Iraq, and its vicinity. The second assault, at 9:30 local time, was also aimed at the capital.

The purpose of the first attack of the allied forces was to paralyse the Iraqi air defense system, control the air, and destroy the commanding center, airports, missile bases and radar installations.

Both rounds of air operation were carried out by the air forces of the United States, Britain, Saudi Arabia and Kuwait. French planes were involved in the second round alone.

It is reported that the allied forces assailed Iraq first with cruise missiles from long distance and then with bombers.

In the military operations, more than 100 "Tomahawk" cruise missiles were reportedly launched, over 750 fighters made more than 1,000 sorties and staged altogether some 400 air attacks in which were involved American F-15E and F-4 aircraft and British and French "Puma" and "Tornado" planes.

Tens of F-117 stealth bombers pioneered in the attacks. Heavy bomber B-52 and F-A-18 plane from aircraft carriers, as was reported, also took action.

U.S. Defence Minister Dick Cheney told the press that the result of the first attack of the coalition forces was very encouraging and Iraq made only limited response.

Reports from Baghdad said that Iraq's Defence Ministry building was hit. Israeli armed sources also disclosed that an Iraqi missile base in west Iraq trained at Israel had been destroyed.

Iraqi forces fired five Scud-C missiles towards the south of Saudi Arabia half an hour after the first attack from the multinational forces, but these missiles did not hit the targets.

Iraq in a communique issued today said its naval air defence force had shot down 14 allied planes. By now Britain recognized it had one aircraft lost. The U.S. and Kuwait confirmed only one of their planes was shot down. France announced that four of its fighters were slightly damaged but safely returned.

Besides, Iraqi artillery in Kuwaiti territory bombarded the oil field of Khafji, a border town of Saudi Arabia,

and destroyed an oil storage tank of the Japan-Arab oil company. According to Iraqi military sources, the U.S.-led attacks left 23 Iraqis dead and 66 wounded.

U.S. President George Bush formally ordered the attack on Iraq on the afternoon of January 16 after Defence Minister Dick Cheney signed the administrative order of the attack.

The initial raid was mounted under cover of dark and with the help of sophisticated U.S. electronic equipment. Prior to the attack, Saudi Arabia had imposed a censorship on weather forecasts to prevent them from being used by Iraq.

Gulf 'Roundup' Notes Rogachev in Beijing

OW1201065491 Beijing XINHUA in English
0516 GMT 12 Jan 91

["Gulf Roundup (Up to 0430 GMT): UN Chief Reportedly Puts Forward Five-Point Plan on Gulf Crisis"—XINHUA headline]

[Text] Beijing, January 12 (XINHUA)—U.N. Chief Javier Perez de Cuellar and the EC foreign ministers have reached agreement on a five-point peace plan in a last-ditch effort to avert a war in the Gulf, according to reports reaching here.

Perez de Cuellar, before flying to Baghdad, met in Geneva with EC foreign ministers who were reported to have endorsed the idea of sending U.N. peace keepers to Kuwait if Iraq agrees to withdraw.

The meeting ended without an official statement, but separate remarks by some ministers and sources close to the meeting, when pieced together, indicated agreement between the U.N. chief and the EC on the following points:

- Iraq must withdraw its troops in compliance with the U.N. Security Council resolutions on the Gulf crisis. If Iraq is willing to pull out, there should be a guarantee of non-attack. Otherwise, it will be driven out by force.
- A U.N. peacekeeping force should be sent to Kuwait after Iraq withdraws from Kuwait. Before that, U.N. observers should be dispatched to monitor the withdrawal of Iraqi troops.
- The dispatch of the anticipated U.N. peacekeeping force should be decided by the Security Council and, if necessary, such a force may be exclusively Arab.
- Important, wider issues of the Middle East need to be tackled, but this can be done only after Iraq completes its withdrawal from Kuwait.
- There should be no compromise and negotiations with Iraq until Iraq agrees to withdraw and, in the words of Jacques Poos, foreign minister of Luxembourg and the rotating EC chairman, the Gulf crisis should be ended

in a manner "without linkage or any preconditions for implementing the U.N. resolutions."

Meanwhile, U.S. Secretary of State James Baker was criss-crossing the Arabian Peninsula, seeking Saudi Arabia's King Fahd in Riyadh, United Arab Emirates President Zayid Bin-Sultan al Nuhayyan in Abu Dhabi and the amir of Kuwait, Shaykh Jabir al-Ahmad al-Sabah, in Taif, Saudi Arabia.

Baker warned that "we pass the brink" at midnight on Tuesday, January 15. He was now in Cairo for talks with Egyptian officials on the Gulf crisis.

Back at home, President George Bush was lobbying intensely for Congressional approval to use military force to drive Iraq from Kuwait.

Israel, preparing for a possible Iraqi attack, has called some reservists in the air for military intelligence and civil defense, which advising citizens to seal their rooms for possible chemical strike.

A poll reported that 55 percent of the Israeli citizens believe that war was approaching. Iraq has repeatedly said that they will choose Israel as the first target if attacked.

Meanwhile, Jordan King Husayn said Friday that his armed forces would try to halt warplanes from Israel and any other countries.

In Baghdad, President Saddam Husayn said Iraq would defeat U.S.-led Gulf forces in a holy war. "This is a showdown between the infidel and believers, between good and evil," he told a conference of Muslims in Baghdad.

Meanwhile, Information Minister Latif Nusayyif Jasim told Baghdad Radio that reports of Saddam's planning to pull troops out of Kuwait soon after January 15 "are absolutely untrue."

The U.S. Senate and House of Representatives are still debating on the issue but sessions was disrupted briefly in the Senate by antiwar protesters in the public galleries.

Eleven of the protesters, who chanted "no blood for oil, no war for Bush," were arrested.

On a visit to Bahrain, British Foreign Secretary Douglas Hurd said Friday that if Saddam Husayn did not decide to withdraw by the U.N. deadline, "he will be forced out and not in a very long time."

The highest-level talks between the United States and Iraq collapsed Wednesday after more than six hours' session between Baker and Iraqi Foreign Minister Tariq 'Aziz in Geneva.

Chinese Foreign Minister Qian Qichen, on arriving Dar es Salaam, Tanzania, expressed his support for continuing international peace efforts to end the Gulf crisis.

In Moscow, President Mikhail Gorbachev telephoned President Bush to discuss the Gulf crisis. Soviet Ambassador in Beijing Igor Rogachev said the Soviet Union firmly opposes war in the Gulf and believes not all diplomatic means have been exhausted.

Up to now, the United States and its allies have reportedly fielded more than 610,000 troops to the Gulf region to prepare for a showdown against Iraq's frontline troops of 540,000, most of which are ground forces.

'Roundup' Notes Asia-Pacific Reaction to War

OW1801102791 Beijing XINHUA in English
0957 GMT 18 Jan 91

["Roundup: Mixed Reactions From Asian-Pacific Countries to Gulf War"—XINHUA headline]

[Text] Hong Kong, January 18 (XINHUA)—Shortly after the outbreak of war in the Gulf on Thursday, Asian-Pacific countries made swift reactions to the news, with some feeling distressed and others voicing support to the U.S.-led coalition forces' air attacks on strategic targets in Iraq and Kuwait.

The Association of Southeast Asian Nations (ASEAN) said it is saddened by the outbreak of the Gulf war.

Malaysian Foreign Minister Omar Abu Hassan, speaking in his capacity as chairman of the ASEAN Standing Committee, believed that the price of victory for either side would be "horrendous in terms of losses of human lives and desecration to ancient lands."

Indian Prime Minister Chandra Shekhar said he was deeply distressed that hostilities had broken out in the Gulf. He appealed to Iraqi President Saddam Husayn to announce commencement of immediate withdrawal from Kuwait, which should be followed by a cessation of hostilities and resumption of efforts to find a peaceful solution to the conflict.

Pakistan Prime Minister Nawaz Sharif said that the Gulf war "may endanger peace and security of the region," adding that it carries the potential of a global catastrophe.

Pakistan Foreign Minister Yaqub Khan said in a statement it is regrettable that Iraq could not be persuaded to agree to the withdrawal of its forces from Kuwait.

He hoped that the conflict will be brought to an end quickly to save human lives and suffering and to give peace another chance.

The Nepalese Government described the war as unfortunate and felt that political settlement is still possible on the basis of Iraqi withdrawal from Kuwait.

Bangladesh Foreign Secretary Abul Ahsan [name and title as received] said Bangladesh regretted the outbreak of the war because it had always favored the vacation of Kuwait by Iraq through peaceful means.

He said his country supported the war as no other option was left to force Iraq to end its occupation of Kuwait and the country's endorsement to the use of force remained confined within the parameters of the United Nations Security Council resolutions.

The Sri Lankan presidential adviser on international affairs, Bradman Weerakoon [name as received], said that his government is saddened by the fact that intensive diplomatic activities of the past week have failed in the Gulf.

Thai Prime Minister Chatchai Chunchawan, while expressing his government's support to the actions against Iraq in compliance with the resolutions adopted by the U.N. Security Council, said that he hoped the Gulf war would end as quickly as possible so as to minimize damage to mankind.

Philippine President Corazon Aquino, in a nationwide televised statement, said "the Philippines reiterates its adherence to and support for the United Nations resolutions on this crisis."

She said her government "supports without reservation the action of the coalition forces led by the United States."

The Singapore Government supports the military actions taken by the multinational force in the Gulf to implement the U.N. Security Council resolutions, especially Resolution 678.

A Foreign Ministry spokesman said that Singapore deeply regrets the failure of all the peace initiatives undertaken to implement the U.N. resolutions. "The international community could no longer do nothing given Iraq's continued defiance of the U.N. resolutions," the spokesman said.

Australian Prime Minister Bob Hawke said Australia's participation in the Gulf war is authorized by Resolution 678 of the United Nations Security Council, adding that member states of the U.N. have the rights to use all necessary means, including force to uphold and implement the resolution.

New Zealand Prime Minister Jim Bolger described the war in the Gulf as a "sad but inevitable consequence of Saddam Husayn's refusal to end his illegal occupation of Kuwait."

In a statement he said no one wanted war in the Gulf and New Zealand would hope and pray that Husayn would at last see reason and quickly make the decision that would bring it to an end.

In Australia, however, hundreds of thousands of university students across the country protested against Australia's involvement in the Gulf war, urging a peaceful solution to the crisis.

The "Students United Against War" group, formed recently to represent more than 200,000 students from

major Australian universities, has condemned use of force in solving the crisis, saying war "would not resolve the underlying problems that gave rise to the invasion."

They urged the Australian Government to take a leading and independent role in finding a peaceful solution to the five-month-long Gulf crisis caused by Iraqi invasion of Kuwait.

In New Zealand, a few hundred people held a sit-in demonstration against the Gulf war in front of the parliament and the United States Embassy in Wellington shortly after the Gulf war started.

Scores of protesters in Auckland went on a similar parade in front of the U.S. consulate.

Before the expiration of the deadline for Iraq's withdrawal from Kuwait, more than 5,000 people marched through Wellington, calling for averting war and demanding the U.S.-led forces to get out of the Gulf region, and demanding non-involvement by New Zealand in a possible Gulf war.

In Pakistan, rallies and processions were held in Rawalpindi, the twin city of the capital city of Islamabad, protesting against the U.S. attack on Iraq. They carried anti-U.S. and anti-war banners and placards. Similar protest meetings and processions were held in other big cities of the country.

In Nepal, hundreds of students staged a procession in downtown Kathmandu to express their desire for peace.

Baltics May Cause Rethink of Japanese Aid

OW1801145091 Beijing XINHUA in English
1315 GMT 18 Jan 91

[Text] Tokyo, January 18 (XINHUA)—A Japanese Foreign Ministry spokesman indicated today that Japan might "rethink" its humanitarian aid to Moscow because of the Soviets' military move in the secessionist Baltic republic of Lithuania as well as other perceived setbacks for perestroika, or reforms.

Press Secretary Taizo Watanabe told reporters that Japan's humanitarian assistance to the Soviet Union was based on the assumption that perestroika would proceed "as we had expected."

"If there are any sort of change or problems relating to that assumption," he said, "we certainly have to rethink what we have been doing in the field of humane assistance to the Soviet Union."

Japan has pledged 500 million yen (about 3.8 million U.S. dollars) in foodstuffs and a like amount in medicines and medical equipment as "humanitarian" aid.

Watanabe disclosed that during Japanese Foreign Minister Taro Nakayama's upcoming visit to Moscow, scheduled for January 21-24, he might sound out the Soviets on the recent events in Lithuania, which were referred to the Soviet paratroopers' occupation of key

buildings in the Lithuanian capital of Vilnius and the sending of paratroopers to six other independence-minded republics.

Diplomacy Seeks To Strengthen Socialist Ties

HK1801030191 Hong Kong SOUTH CHINA
MORNING POST in English 18 Jan 91 p 10

[By Willy Wo-lap Lam]

[Text] Beijing has taken advantage of the disarray in the Soviet Union to buttress its standing with socialist countries, diplomatic analysts say.

In a diplomatic move, Beijing has shored up relations with North Korea, Cuba, Laos and Romania.

Analysts say the Chinese Communist Party (CCP) is anxious to show world and domestic opinion that "socialism with Chinese characteristics" is a better choice than the "liberalisation" movement in the Soviet Union and Eastern Europe.

The CCP is also trying to boost solidarity among the relatively few socialist countries that still follow orthodox socialism.

With its foreign currency holdings having been improved by growing exports, Beijing is willing to boost its standing through generous aid programmes.

Party General Secretary Jiang Zemin has reaffirmed the "lips and teeth" relationship with the secretary of the Central Committee of Pyongyang's Korean Workers Party, Mr Kim Yong-sun, who is on a surprise trip to China.

The Chinese media yesterday quoted Mr Jiang as telling Mr Kim that he treasured the amicable ties between the two countries, which were "cemented with blood".

"The exchange of visits by leaders of the two parties and the two countries has deepened the friendship," Mr Jiang added.

The NEW CHINA NEWS AGENCY reported that Mr Kim "praised the Chinese people for their success in consolidating unity and stability and in building socialism with Chinese characteristics".

While Beijing has resisted Pyongyang's persistent demands for more economic aid, China remains the main supporter of the regime of President Mr Kim Il-sung.

At the same time, Beijing has signed new trade agreements with another hardline country, Cuba.

A five-year trade agreement and a protocol detailing goods to be exchanged in 1991 was signed during the ongoing visit of Cuban Foreign Trade Minister Mr Ricardo Cabrisas.

Chinese Vice-Premier Mr Wu Xueqian told Mr Cabrisas his country felt economic relations with Cuba were important "because both were engaged in building socialism", the Cuban news agency, PRENSA LATINA, said.

Bilateral trade, worth about US\$50 million (HK\$3.9 billion) last year, involved the exchange of Cuban sugar, citrus fruit, steel and medical products for Chinese food and manufactured goods.

Meanwhile, the Chinese Foreign Ministry announced yesterday that a delegation of the Supreme People's Assembly of Laos would pay an official goodwill visit to China starting on Sunday.

The delegation, headed by President Mr Nouthak Phoumsavan is at the invitation of the Standing Committee of the National People's Congress.

Analysts say even though the Cambodian problem has not been resolved, Beijing has put a high priority on mending ties with Laos and Vietnam.

In spite of its own budget deficits, Beijing is willing to cement relations with socialist countries through loans and other forms of economic aid.

For example, earlier this week, Beijing extended a 100 million yuan (HK\$165 million) loan to Romania on the occasion of the visit of President Mr Ion Iliescu.

Article Reviews 1990 World Economy

HK1801071991 Beijing LIAOWANG in Chinese No 53, 31 Dec 90 pp 40-41

[Article by Qiu Yuanlun (5941 0337 0243): "New Pattern, New Situation: Review of the 1990 World Economy"]

[Text] Nineteen-ninety marks the year when an inkling of a new pattern in the world economy first emerged. It is also a year when an important turn occurred in the world economic situation.

One: Naturally, the new pattern in the world economy did not come about abruptly in 1990. Rather, it was the outcome of a lengthy evolution, with its basic framework beginning to take shape since 1985, and particularly between 1989 and 1990. 1) As socialism sinks temporarily to a low ebb, the Soviet Union is expected to experience a long period of hardship. 2) The favorable position of the West will be further enhanced in the world economy, and even in world politics, while the United States, Western Europe, and Japan will attempt jointly to dominate the world. 3) In the West, the United States will grow weaker and Japan's standing will rise, while united Germany slowly will join the United States and Japan to form a tripartite balance of power. Meanwhile, the big three economic circles of the United

States, Asia, and Europe, as well as the secondary economic circles will receive a further boost to their development. 4) The majority of developing countries is in dire straits as their position in North-South relations is further eroded.

The emergence of a new pattern in the international economy was first reflected in a further move led by Western countries toward formation of stronger regional blocs. The first phase of the monetary union was initiated in the European Community; Britain joined the European Monetary System; Mitterand and Kohl, in a joint letter issued in December, called for the expansion of the functions of all EC organs, while the United States and Mexico intensified talks on free trade. Bush's tour of five Latin American countries at the end of the year was intended to set up a free trade zone extending from Alaska to Haiti. In Latin America, people have become increasingly aware of the need to break away from a pattern in which exchanges between Latin American states and the United States outnumber those carried out among Latin American states themselves. While no integrated mechanism has yet taken shape in Asia, trade and economic links and cooperation among the countries here have actually grown rapidly and are not lagging very far behind the EC. At the same time, it should be stressed that at a time when a trend in favor of stronger regional blocs is gaining visible strength, globalization also has received a further boost. The reasons are: 1) The interlocking relationships between the countries (regions) making up the three great economic circles of Western Europe, the United States, and East Asia is too deep, making it impossible for these countries to isolate themselves or reject each other. 2) In response to the demands of competition, they are actively "joining each other's organizations" with a view to infiltrating the other side. 3) Out of political and economic considerations, the countries within the circles often are willing, and indeed are stepping up relations with countries outside the circles in order to establish an equilibrium.

Second, 1990 was a year that saw the formal unification of Germany and the gradual formation of a U.S.-Japan-Germany tripartite balance of power. Owing to imbalanced development, the U.S. position is undergoing a relative decline, while the momentum for the rise of Japan and Germany has been gathering for some time. After becoming the second largest economic power in the West in the 1960s and the second largest industrial country in the 1970s, Japan in the 1980s further developed into a world power in science and technology, and is rapidly growing into the world's number-one financial power. Meanwhile, Germany captured world attention from 1989 to 1990 by achieving unification with astounding swiftness. It is generally predicted that united Germany will grow even stronger and will join the United States and Japan to form a tripartite balance of power in the world economy. This view has been reinforced by the strong contrast between a less-than-impressive U.S. economic performance in 1990 (one percent) and the staggering growth in the economies

of Japan and Germany (four percent, five percent). However, this writer maintains that more attention should be paid to the total relations among the three countries. Here, we have one superpower the position of which is declining, one newly emerging economic power, and one that currently is the number-one economic power in the European region. These three economic powers of unequal rankings (the ratios of their national economies are approximately 4:2:1.) each have their advantages and disadvantages. It may be expected that in future relations among the United States, Japan, and Germany, changes in the ratio of power, as well as conflicting self-interests may lead, one the one hand to intensified contradictions. On the other hand, growing interdependence and increasing common interests also could lead to greater cooperation. The general trend, though, will see a further decline in the U.S. position and a continuing rise in that of Japan and Germany.

Third, compared with the 1970s, the current position of developing countries in North-South economic ties has visibly deteriorated as these countries were reduced from active resistance to passive reaction. This is an important aspect in the new pattern of world economy and is likely to worsen in 1990. This year the economic growth rate of the entire developing world was slightly more than half of last year's (1.8 percent as against 3.4 percent), while the rate of decline was higher than that of developed countries. The fundamental causes of such an unfavorable situation to the South are: The disparity between the South and the North was further enhanced and manifested in the domains of international trade, finance, and technology. At the same time, a series of new and important factors also have appeared since the beginning of the 1980s, for instance: The fall in the strategic position of developing countries, extremely uneven growth within the developing world, and the relative vulnerability of the economies of most developing countries to internal and external blows. The trend toward formation of regional blocs within the world economy has posed a new challenge to the developing countries in terms of pattern, competition, and barriers, all of which have plunged the developing countries into deeper trouble. Also in 1990, they were indirectly affected by the economic slowdown in the West and were directly hit by the Gulf crisis. Of course, the developing world still does not lack powerful and effective means of struggle, as well as great potential for cooperation.

Two: 1990 also was a year when an important turn occurred in the world economic situation. Only three points will be outlined here:

The first is the increasing instability and uncertainty in the world economy. 1) The Gulf crisis has shown that the Western states continue to rely heavily on raw materials and fuels imported from developing countries. On the one hand, this incident indeed demonstrated that the Western economies are not so very vulnerable, but at the same time it also showed that "these countries on wheels" are not as solid as people imagine them to be. Of course, the Gulf crisis also exposed the relatively weak

capability of the great majority of developing countries to absorb both internal and external economic blows. 2) As the roles and capabilities of international economic organizations are undercut, there is a need for readjustment. Take the GATT for instance. The four-year-old "Uruguay Round" was finally suspended in mid-1990 because of the conflict of interest between the United States and Europe over the question of agricultural subsidies. The failure of this round is particularly significant. Another reason for the diminishing role of the GATT is structural in nature. At present, only 50 percent of world trade comes under its jurisdiction, while trade in the service sector is outside its scope of "surveillance". Yet trade in this area is growing rapidly, with the total volume now standing at 560 billion dollars each year, roughly one-fifth of commodity trade. 3) Indiscriminate extension of credit and loans has made the Western banking system more unstable and enterprises more vulnerable. For example, in mid-1990, the total amount of unpaid debts of the United States reached 1.28 billion dollars, three times the 1979 figure of 420 million dollars. The current total amount of debt servicing is equivalent to two and a half times the 1989 GNP figure of 530 million dollars. This is far higher than the post-war average. The total amount of a consumer's family borrowings has risen to its highest post-war proportion in net income: 93.6 percent. The commercial debts in industrial and commercial departments are approximately half of consumption credits. If an economic crisis as deep as the ones of 1973 and 1974 were to take place today, 20 percent of the big U.S. companies would have problems servicing their loans. This would naturally hurt the banks. The economic slowdown in the United States in the 1990s is related to the tighter austerity measures adopted by the banking industry after it failed to collect a large amount of housing and real estate loans due to a slump in the real estate and construction industries. 4) Widespread speculation in financial markets has made the future of the investment market vague. Take Japan for instance: The accumulated surplus from its international balance of payments, profits from skyrocketing real estate prices, existence of a developed credit mechanism, convenience of an information network, and the popularity of new "get-rich techniques" have provided favorable conditions for the expansion of such speculative dealings. In the last five years, Tokyo's stock market grew by three to four times. For some well-known large companies, the profits from their stock dividends are 20 times higher than earnings from their business operations. Given this artificial stock market prosperity, which is entirely opposite of the economic situation of the enterprises, a drop in the stock market is inevitable at the slightest sign of trouble. From December last year to October of 1990, share values at the Tokyo Stock Exchange fell by more than 40 percent, inflicting a loss of nearly 200 million dollars on Japanese investors.

Second, looking at it in its totality, the eight-year long economic boom in the West appears to have come to an end. The world economy grew markedly slower in 1990,

dropping from last year's three percent to 1.2 percent, the lowest since 1982. In particular, the growth rate in the West fell from 3.4 percent to 2.6 percent, that of the United States from three percent to one percent, while that of developing countries was even worse. Meanwhile, the drop in production in the Soviet Union and the Eastern European states is the sharpest. The economic slump in the United States has affected all countries of the world in varying degrees, particularly those with close trade and economic ties with the United States. However, the effect will not be too great because a U.S. economic slowdown is unlikely to be too serious while the economies of countries like Japan and Germany continue to register growth. It should be noted here, though, that people in the past have always considered the "inventory-free" tertiary industry as one of the factors contributing to a relatively smooth post-war economic cycle in the West. However, economic life in the United States in 1990 has shown that this statement may not be completely true. To a great extent, the current economic slowdown in the United States is related to the slump in the real estate and banking industries. It may be predicted that in the immediate future, the chances of an economic crisis caused by serious monetary and financial upheavals in the Western world are higher and greater than those of an economic crisis brought about directly by surplus production. The enormous power yielded by the highly opportunistic financial market is now greater than the coordinated actions of all governments in the world.

Third, production in the Soviet Union and in some East European countries has shrunk absolutely. To a very great extent, the acute decline in total world economic growth in 1990 is related to the serious economic troubles now prevailing in the Soviet Union and the East European countries. According to the "Latest Data on the World Economy in 1990" from the UN Economic and Social Council, material production in East Europe for the first half of 1990 was 12 percent lower than that of the same period last year, while in the Soviet Union, it was five percent lower. Regardless of the assessments that people may make of this, the fact that the living standards of the people in the Soviet Union and in some East European countries have dropped absolutely is undeniable. Moreover, the situation is not likely to change rapidly for the better.

International Seminar on Reutilizing Resources

OW1801063991 Beijing XINHUA Domestic Service
in Chinese 1359 GMT 17 Jan 91

[By reporter Xia Kaixuan (1115 0418 2467)]

[Text] Haikou, 17 Jan (XINHUA)—The "Hainan International Seminar on the Secondary Development of Resources," sponsored by the Hainan Strategic and Planning Research Society and Hainan Jinneng Nonferrous Metals Company Limited, was held in Haikou from 13 to 17 January. More than 80 experts, scholars, businessmen, bankers, and shipping contractors from the

United States, Switzerland, Taiwan, Hong Kong, and other countries, as well as responsible persons from relevant trades in China attended the seminar.

The secondary development of resources mainly refers to the reprocessing and reutilization of waste materials. It is a labor-intensive industry requiring little investment, but bringing many high benefits. Secondary development and utilization of resources and its development trend in the world were discussed at the seminar.

Participants at the meeting hold that Hainan, as one of the largest special economic zones in China, has excellent conditions as well as great potential for large-scale development of this industry, whether seen from the perspective of geographical environment, labor resources, or from the perspective of economic development. They discussed the issues of strategic significance, the development plan, investment projects, and environmental protection.

United States & Canada

Bush Remarks on Success of Gulf War First Phase

OW1701214691 Beijing XINHUA in English
1082 GMT 17 Jan 91

[Text] Washington, January 17 (XINHUA)—President Bush, while meeting Congressional leaders at the White House earlier today, called the first phase of the Gulf war "a success."

Bush's Press Secretary Marlin Fitzwater quoted the President as saying: "It appears the precision bombing was successful as much as possible."

Early in the morning, Fitzwater said, Bush had expressed his satisfaction with the past 12-hour effective massive attacks on Iraqi strategic targets and the minimal casualties on the U.S. and its allies' side.

"I think it is fair to say that we are pleased at the way things have gone so far. We are determined to finish what we have set out to do," commented Bush as he met Congressional leaders, who later predicted swift adoption of a resolution backing U.S. military forces in the Gulf.

After meeting with Congressional leaders, Bush and most top officials of his administration attended a prayer service at Fort Myer a few miles away from the White House.

Reaffirms 'No Concessions'

OW1701234991 Beijing XINHUA in English
2330 GMT 17 Jan 91

[Text] Washington, January 17 (XINHUA)—President George Bush said today that Iraqi leader Saddam Husayn should surrender unconditionally.

Asked at a photo session whether he insisted on an unconditional surrender by Saddam, Bush said "I don't want to get caught up in some semantics about all of this—but to get out of Kuwait."

"And got to do it with no concessions, or no condition," he said.

"That was determined long ago when he failed to comply with the U.N. resolutions. Now, in keeping with those, we are using force, and we are not going to stop until he fully complies with the resolutions," Bush said.

The Iraqi leader has vowed never to surrender and fight to "last child".

Fitzwater Cited

OW1701222691 Beijing XINHUA in English
2115 GMT 17 Jan 91

[Text] Washington, January 16 (XINHUA)—The United States said today that it would stop the on-going attack on Iraq if its troops surrendered and pulled out of Kuwait.

White House Spokesman Marlin Fitzwater said that "if at any point he (Saddam Husayn) wants to change course here, all he has to do is surrender and comply with all the U.N. resolutions."

"The situation to Saddam is the same now as it's been for five and a half months, and all he has to do is lay down his arms and say 'I intend to comply'," Fitzwater said.

Fitzwater said the military offensive against Iraq is an "operation of unprecedented size and complexity" that will continue until the U.N. Security Council resolutions are fully implemented.

He also warned against euphoria in the U.S. press, saying that "there is tough work ahead for allied forces before our jobs are done."

He quoted President George Bush as telling the Congressional leaders this morning that "initial reports of accomplishments and losses are good, but we need to keep this in perspective."

"We are just hours into this, no one should assume this conflict will be short or easy," Bush said.

Soviet Union

Gorbachev Urges Arabs To Avoid War With Israel

OW1801145591 Beijing XINHUA in English
1357 GMT 18 Jan 91

[Text] Moscow, January 18 (XINHUA)—Soviet President Mikhail Gorbachev today warned Arab leaders that the Iraqi missile attack on Israel was aimed at provoking a new Arab-Israel war.

Speaking at a press conference here, Soviet Deputy Foreign Minister Aleksandr Belonogov said, "Today President Gorbachev sent personal messages to the leaders of Arab states drawing their attention to the attempts (of Iraq) to...push them into new confrontation with Israel."

He added that the president appealed to Arab leaders to show restraint and wisdom to avoid a new war between Arab nations and Israel.

Appealed for Attack Postponement

OW1801063291 Beijing XINHUA in English
0112 GMT 18 Jan 91

[Text] Moscow, January 18 (XINHUA)—Soviet President Mikhail Gorbachev had made a last-minute appeal to the United States, before the outbreak of war in the Gulf, to put off the assault on Iraq and allow a final effort to solve the Gulf crisis peacefully.

Soviet Foreign Minister Aleksandr Bessmertnykh made the disclosure Thursday when addressing a meeting of leaders of the Soviet parliament.

Iraqi Withdrawal From Kuwait Urged

OW1701212691 Beijing XINHUA in English
1441 GMT 17 Jan 91

[Text] Moscow, January 17 (XINHUA)—The Soviet Union said today an immediate halt to the Gulf war is the most reasonable choice now and called on Iraq to completely withdraw from Kuwait.

Soviet Deputy Foreign Minister Aleksandr Belonogov made the remarks at a news briefing today, adding that war could be stopped if Iraq explicitly states its determination to comply with the U.N. Security Council resolutions.

Belonogov said resolutely that his country would not join the multinational forces in the Gulf. A higher military alert was taken by the Soviet Southern Military Command because the region is located near the war area, he added.

In another development, Soviet Presidential Spokesman Vitaliy Ignatenko said at a press conference today that Soviet President Mikhail Gorbachev had summoned the country's vice-president, defense minister, KGB head, foreign minister and other Soviet leaders to discuss the Gulf situation immediately after war broke out.

Heilongjiang Increases Barter Trade Along Border

OW1801060291 Beijing XINHUA Domestic Service
in Chinese 0838 GMT 16 Jan 91

[By reporter Liu Changjin (0491 1603 6855)]

[Text] Harbin, 16 Jan (XINHUA)—During the last two years, the bilateral barter trade along the 3,000 km borders of Heilongjiang and the Soviet Union has spread

to the hinterland of the two countries, thus initiating a new phase in the simultaneous development of a multi-level, multichannel, multiform border barter trade relationship between the regions in the two countries.

In 1982, following the ratification and exchange of documents between the two countries' governments, the barter trade between Heilongjiang and the border areas of the Soviet Union was restored. In the eight years since the restoration of trade relations, Heilongjiang has seen a dramatic rise in its border barter trade with the Soviet Union. The 1990 contracted amount of barter trade concluded between the two sides reached 2 billion Swiss francs. The actual amount of goods shipped in that year was worth 780 million Swiss francs, a 32-percent increase over 1989 as well as an all-time record.

Economic and technological cooperation between the two sides has expanded, as well, along with the increased barter trade development. A total of 117 cooperative projects were implemented and nearly 11,000 labor personnel were exchanged in 1990, a scale of cooperation that exceeded all previous years. The forms of cooperation between the two sides have extended from the contracting of engineering projects, to the export of labor, to the running of joint ventures and the joint processing of raw materials.

According to information provided by the Heilongjiang Border Trade Bureau, following the China, Soviet Union, and Eastern Europe Economic and Trade Fair, which was held in Harbin last year, nearly 60 foreign trading companies from China's provinces, municipalities, and autonomous regions have carried out direct barter trade with various regions in the Soviet Union already. A Heilongjiang official predicted that with the implementation of foreign exchange trade starting this year, the border trade and trade between regions of the two countries will see greater development.

Northeast Asia

Jiang Zemin Meets DPRK's Kim Yong-sun

*SK1801130791 Beijing International Service
in Korean 1100 GMT 17 Jan 91*

[Text] Jiang Zemin, general secretary of the CPC Central Committee, met Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea, and his entourage in Beijing on the afternoon of 16 January.

At the meeting, Jiang Zemin said he had visited the DPRK last year at the invitation of General Secretary Kim Il-song, that this had left a deep impression on him, and that the mutual visits between the leaders of China and Korea strengthened the friendly relations between the parties and peoples of the two countries.

Jiang Zemin said that China highly treasures the two sides' militant friendship, which is cemented in blood. Jiang Zemin informed the guests that China decided on its 10-year development plan at the Seventh Plenary

Session of the 13th CPC Central Committee, adding that China wants to boost its people's economy by achieving a political phase of stability and unity. Jiang Zemin said that China also hopes for the establishment of a new international political and economic order.

Secretary Kim Yong-sun said that under the leadership of the party Central Committee—with Comrade Jiang Zemin—at its core, China now is strengthening stability and unity and has attained great success in the work of constructing socialism with Chinese characteristics.

Secretary Kim Yong-sun said that the Seventh Plenary Session of the 13th CPC Central Committee was of important significance, and wished the Chinese people greater success by implementing the spirit of the plenary session. The two sides shared inquiries about the health of the leaders of their two countries.

Kim Yong-sun and his entourage came to Beijing on 15 January at the invitation of the CPC Central Committee and began their friendship visit. Zhu Liang, head of the International Liaison Department of the CPC Central Committee, held talks with the Korean guests. Kim Yong-sun and his entourage also will tour and visit Harbin, Changchun, and Jilin, and will leave China on 22 January.

DPRK State Council Economic Decision Reported

*SK1801060891 Beijing International Service
in Korean 1100 GMT 17 Jan 91*

[Text] According to a MINJU CHOSON report on 16 January, the State Administration Council of Korea [North Korea] recently adopted its first decision for this year and ratified the various domains' specific execution plans for the people's economic development for this year. In doing so, it has called for the various domains to fulfill the plans without fail and to contribute to strengthening the self-reliant economy and improving the people's standard of living.

The decision states that the main tasks for this year's economic development of Korea are to continue giving priority to the mining and power industries and to the railway transportation, stabilizing production through the effective use of the existing economic foundations, drastically increasing the production of grain and consumer goods, and further alleviating the people's problems with food and clothing, and with shelter by building more houses.

Specific tasks and measures have been set out for the domains of the power industry, railway transportation, science, agriculture, and foreign trade.

The decision notes that the important ways to fulfill the economic development plan for this year are to properly

conduct organizational work and production management, to extensively carry out the production and conservation campaigns and the technological innovation movement, and to comprehensively introduce advanced science and technology.

The decision also calls for guidance cadres to fulfill the production targets for this year by going down to the base level and mobilizing the people.

Wang Hanbin Meets Japanese Diet Delegation

OW1801072691 Beijing XINHUA in English
0618 GMT 18 Jan 91

[Text] Beijing, January 18 (XINHUA)—Wang Hanbin, vice-chairman of the Standing Committee of China's National People's Congress (NPC), met a delegation of the Japanese Diet Legislative Bureau led by Matsumoto Sisimu here today.

The Japanese visitors are here as guests of the Commission of Legislative Affairs of the NPC Standing Committee.

Kang Shisen Meets Japanese Youth Delegation

OW1801094291 Beijing XINHUA in English
0908 GMT 18 Jan 91

[Text] Beijing, January 18 (XINHUA)—Kang Shisen, Standing Committee member of the Advisory Commission of the Central Committee of the Chinese Communist Party, met here today with a youth delegation from the Socialist Party of Japan.

Headed by Usikosi Hironari, executive member of the Central Committee and director of the Youth Bureau of the Socialist Party, the delegation arrived here January 15 on a visit to China.

Mongolia's Gombojabyn Ochirbat To Visit

OW1801085091 Beijing XINHUA in English
0832 GMT 18 Jan 91

[Text] Ulaanbaatar, January 18 (XINHUA)—Gombojabyn Ochirbat, chairman of the Central Committee of the Mongolian People's Revolutionary Party, will lead a party delegation to visit China at the end of this month.

This was announced by party secretary Natsagiyn Bagabandi at a press conference here today.

The party will send another delegation to Moscow early February, he added.

Bagabandi also said his party has invited both the Chinese and Soviet communist parties to attend its 20th congress to be opened on February 25.

Mongolia Adopts Laws on President, Small Hural

OW1801064491 Beijing XINHUA in English
0230 GMT 18 Jan 91

[Text] Ulaanbaatar, January 17 (XINHUA)—Mongolia has adopted its first laws on the functions of the Mongolian president and Small Hural, the country's "PEOPLE'S RIGHTS" newspaper said today.

The newspaper quoted the new presidential law as defining the Mongolian president as the head of state, commander of the country's military forces and chairman of the National Defense Council.

Under the new law, the president's term of office is five years, during which time the president has the power to issue orders or decrees in accordance with the Constitution.

The law also provides that the president can advance any proposals to the Great People's Hural (parliament) and Small Hural on state policies, the removal of the vice president or premier and dissolution of the government.

The president enjoys power to veto decrees or decisions adopted by the Great and Small Hurals, while the latter can overrule a presidential veto by a majority vote, according to the newspaper.

The president, among others, is empowered to declare martial law in parts or over the entire country as a special measure to protect social security, the same source said.

In addition the newspaper carried the Small Hural law, which was adopted by the Small Hural on January 4 and approved by Mongolian President Punsalmaagiyn Ochirbat on January 15.

The law states that the Small Hural is the standing body of Mongolia's highest legislative and supervisory power. The Small Hural consists of the chairman, vice chairman and 50 other members elected by the Great Hural, which has power to dissolve the Small Hural at any time during its term of office lasting five years.

The Small Hural is also empowered to formulate, amend and abolish any other laws except the Constitution; to ratify or annul international treaties, declare amnesty, establish or break diplomatic relations, announce the opening of Great Hural meetings, appoint or dismiss the premier, procurator general and chairman of the Supreme Court during the adjournment of the Great Hural.

Mongolian Government Law Approved

OW1801085591 Beijing XINHUA in English
0837 GMT 18 Jan 91

[Text] Ulaanbaatar, January 18 (XINHUA)—The "PEOPLE'S RIGHT" newspaper today published the republic's "government law" approved by a recent session of the small hural (parliament).

The law stipulates that the government is the supreme organ of executive power which will oversee the country's economic, social and cultural construction as well as its administrative affairs.

Political parties and mass organizations are not allowed to carry out their political activities within the government, the law states.

It is the government's foreign policy to develop friendship, cooperation and relations of equality and mutual benefit with other countries in the world, it says.

In all its activities, the government shall treasure the country's independence, the interests of its people and their unity and respect human rights, the law adds.

The law stipulates that each government has a five-year term and the government in office may tender resignation before the term expires. Members of a new government shall be proposed by the premier and approved by the small hural.

The government shall report its work to both the grand and the small hural, it says. If the government and small hural have differences of view, the government may ask for further discussions by the small hural.

Near East & South Asia

'Roundup' Notes Egypt Tightening Security

OW1801140191 Beijing XINHUA in English
1230 GMT 18 Jan 91

["Roundup: Egypt Tightens Security (By Jiang Yaping)"]—XINHUA headline]

[Text] Cairo, January 18 (XINHUA)—Security measures were tightened at strategic sites and installations all over Egypt after U.S. and allied forces began striking Iraq.

Although Egypt's air space and Cairo international airport remain open to all civilian flights bound for and from the Gulf, maximum alert has been imposed in and around the airport in the northeastern suburb of Cairo.

All vehicles and passengers heading for the airport are subjected to thorough searches, today's "EGYPTIAN GAZETTE" said.

In the Suez Canal area, control and guidance stations along the canal are on vigilance round the clock and the canal rescue units are on permanent alert to face any incident that might block the strategic waterway or affect the traffic.

The "GAZETTE" added that 62 ships, including two U.S. destroyers and three military supply vessels, sailed Thursday through the 160-kilometer-long canal which links the Mediterranean Sea and the Red Sea.

Egypt has been leading the Arab opposition against Iraq for its occupation of Kuwait and has sent more than 36,000 troops to the Gulf to join the U.S.-led multinational force in response to Iraq's invasion of Kuwait five months ago.

Iraq has vowed to retaliate for Egypt's close alliance with Western countries against Iraq.

In the upper Egyptian city of Aswan, the authorities at the high dam said they have taken all measures to protect the dam which furnishes about one third of Egypt's needs for electricity.

Passengers arriving at the Aswan City now have to go through security checks. Meanwhile, the Nile River Navigation Authority has promised to help transport people fleeing the Gulf to Sudan via Aswan.

Meanwhile, Egypt's second largest city Alexandria have also taken the needed steps to maintain its security.

All people, either incoming or outgoing, are carefully screened, and officials are checking all passports to foil attempts to sneak into Egypt via this Mediterranean port.

Interior Minister Abdul Halimimoussa said that since the outset of the Gulf crisis, the security authorities have arrested dozens of suspected foreign terrorists who had infiltrated into Egypt with forged passports. Included were Iraqis and Palestinians.

East Europe

Albanian National Election Postponed

OW1801064091 Beijing XINHUA in English
0141 GMT 18 Jan 91

[Text] Tirana, January 17 (XINHUA)—The Presidium of the Albanian People's Assembly announced today that the national election originally scheduled for February 10 will be postponed until March 31.

The Presidium also decided to allow newly-established parties to be the members of the election committees in the central and regional electoral districts.

Albanian television reported that the postponement decision was made because of a request by representatives of each party and social political organization.

The report said these representatives suggested the election be put off so that they would have time to nominate their candidates.

The Presidium had twice rejected demands by the Democratic Party to postpone elections until May.

The Democratic Party, Republic Party and Green Party have been established since the People's Assembly approved the December 17 resolution lifting the ban on setting up independent political parties in Albania.

Political & Social

Trial of 4 June Activist Wang Juntao Viewed

HK1701113191 Hong Kong CHING PAO in Chinese
No 162, 10 Jan 91 pp 40, 41

[Article by Sung Yi-meng (1345 5902 5536): "The Inside Story About the Trial of Wang Juntao, Chen Yun Criticizes Ultra-Right and Ultra-Left"]

[Excerpt] Many of the people engaged in the democratic movement who were arrested by the Chinese public security organs before and after the June 4 incident last year have been kept in custody for 18 months, which far exceeds the legal time limit. Although the law provides that the cases that cannot be wound up can be postponed on application, the June 4 incident was unprecedentedly shocking and the longer the cases are postponed, the more sceptical about the inside story people become. It might not be a bad thing that the Chinese authorities have decided to try some well-known personages engaged in the democratic movement according to the law. Nevertheless, many previous cases prove that in dealing with this category of people engaged in the democratic movement, they were first convicted internally and then sent to the court for trial. That is to say, the court trial was a mere formality. This is a long-standing question, "which one dominates, the party or the law?", that the China mainland has not yet solved. When the news about the forthcoming trial of Wang Juntao and Chen Ziming came from Beijing, it is not at all surprising that people abroad immediately feel exceptionally concerned with the fate of the two persons, Wang and Chen.

It is believed that this article by Mr. Sung Yi-meng will help the readers understand the two persons, Wang Juntao and Chen Ziming, and the cause and effect of the authorities' decision to try them.

On 24 November 1990, under the dual charge, "conspiracy to subvert the government and counterrevolutionary propaganda and instigation," the Beijing Municipal Public Security Bureau formally arrested Wang Juntao and Chen Ziming, persons engaged in the 1989 Beijing democratic movement, who had been housed in the Qincheng Prison for investigation, and they have been kept in custody in the "the Beijing Municipal Public Security Bureau's lockup for prisoners awaiting trial" that is situated at the side door of No. 44, Cnengnan Banbuqiao, Beijing Municipality. (According to the police, the Qincheng Prison was a place that was on loan to the Beijing Municipal Public Security Bureau after the "June 4.") It was learned that after Wang Juntao "whose spirit and feelings were good" was arrested at the Changsha Railroad Station on 19 October 1989, he began "not straightening out his thinking" in the face of the arrest warrant.

After the spreading of the news about the forthcoming trial of the people engaged in the democratic movement who are in custody, including Wang Juntao and Chen Ziming, people at home and abroad who are concerned

with the Chinese political situation are shocked and deeply concerned because this news shows: The Chinese authorities will use the trial of the people engaged in the democratic movement to conclude the "June 4 incident."

The CPC Will Not Yield to Foreign Countries Forever

After June 4, China met with Western countries' economic and political sanctions and in his internal speech to the high-level figures, Deng Xiaoping commented in this way: "The West does not aim at China, nor at socialism, but completely at me alone." Although the Chinese Government persistently states that "it did not yield in the past, is not yielding now, and will not yield forever to" all foreign pressure, it has all along tried to bargain with the Western governments in the international business arena. In January, May, and June 1990, China successively released three groups of arrested people who had engaged in the democratic movement. What was most eye-catching was that at the first anniversary of June 4, the Chinese Government gained the U.S. Bush Administration's extension of the most-favored-nation status in trade to China for one year in consideration of permitting No. 1 wanted criminals, Mr. and Mrs. Fang Lizhi, to go abroad. The Gulf crisis that broke out on 2 August gave the Chinese Government an opportunity to change. President Saddam Husayn of Iraq became the world's public enemy in 1990 and played the "hostage shield." People who are concerned with the Chinese political situation can observe: The Chinese authorities begin reconsidering the remaining democratic movement elements under their control.

A spokesman of the China's Ministry of Foreign Affairs first denied the statement that "after the Asian Games, the fourth group of people engaged in the democratic movement will be released."

Subsequently, after President Bush reached a consensus with Britain, France, and the Soviet Union in the last 10 days of November at the CSCE that had just concluded, he exchanged the lifting of the political and economic sanctions against China for the cooperation of China—the only remaining permanent member state of the Security Council—on the issue of dealing with Iraq. The Security Council held a conference on 29 November and before Foreign Minister Qian Qichen of China left for the White House on 24 November, the Chinese Government dodged the Chinese and foreign press media and suddenly made a decision to try Wang Juntao and Chen Ziming.

China took advantage of the Gulf crisis to play the card that "it has always maintained that the disputes between a country and another country should be settled in a peaceful way rather than with military force" and this ran counter to the suppression of the June 4 democratic movement with a military force at home. However, the Chinese Government did not notice its contradictory image exposed to the whole world, nor did have a qualm at the guarantee that "the Chinese Government does not

Li Xiaoshi [2621 2400 2514] is appointed vice minister in charge of the State Science and Technology Commission; Fu Zhihuan [0265 1807 1403], vice minister of Railways; Tian Congming, vice minister of Radio, Film and Television; and Yin Jieyan [3009 0094 3508], director of the State Administration of Exchange Control.

Zeng Jianhui is removed from the concurrent post of vice president of the XINHUA NEWS AGENCY.

Commentator Sees 1990's as Crucial Decade

HK1801081991 Beijing LIAOWANG in Chinese
No 53, 31 Dec 90 p 3

[Commentator's article: "Entering a Crucial Decade"]

[Text] With the coming of the New Year's Day of 1991, history has entered the threshold of a new decade of a century.

The last decade of the 20th century is "very crucial" to our country and people, in part because the people in our country will achieve the second-step strategic goal of the socialist modernization to quadruple the country's 1980 gross national product within this decade; will gradually raise their living standards from the level of just having enough to eat and wear to a level of comparatively well-off life to attain the third-step strategic goal of the national economic development in the middle of the 21st century, further invigorate the national economy, promote social progress, and lay a solid foundation for further development. By a comparatively well-off life, we mean that the people have ample food and clothing, live and work in peace and contentment, lead a much improved life materially and spiritually, in which not only is the consumption level of individual citizens raised but also social welfare and labor conditions are improved; and in part because in the current changeable international situation characterized by acute economic competition, we should firmly grasp the opportune moment and strive for a favorable external environment for our country's socialist modernization program in the last decade of this century.

This is a decade which has a bearing on the rise or fall of the destiny of socialism in our country and on the honor or disgrace of the Chinese nation's future. The objective situation requires the people throughout the nation to greatly enhance their sense of mission to history, adhere to the basic line of "one center, two basic points" and the road to socialism with Chinese characteristics, and develop the national economy attentively, wholeheartedly, and by every possible means.

In the 1980's, areas all over the country, rural and urban, have scored eye-catching and great achievements in the modernization program as well as the cause of reform and opening up to the outside world and both the economy and society have been greatly revitalized. There has been a considerable expansion in the country's output and productive capacity of major industrial and

agricultural products and a marked increase in the state's economic strength and comprehensive national power. During the decade, some 1,000 large and medium-sized production projects have been completed and put into production. The development of science and technology as well as education has given a boost to industrial and agricultural production. Moreover, more than 110,000 major achievements have been achieved in scientific research, some of which have reached international advanced levels. In the economic structural reform, the old structural pattern characterized by over-centralization has been transformed. The universal implementation of the system of contracted responsibilities on the household basis, with payment linked to output, has played an important role in promoting agricultural production and the development of the national economy as a whole. Great advances have been made in opening up the country to the outside world. An unprecedented pattern of opening up to the outside world has taken shape under which the country is opened to the outside world in a gradual manner from special economic zones, coastal open cities, coastal economic open zones to the vast areas in the hinterland. A fairly big improvement has been achieved in the livelihood of the urban and rural population. This is a decade which witnessed the most rapid improvement in the people's livelihood. All this serves as a solid foundation for the economic and social development in the 1990's.

What is of more far-reaching significance is that last year the people in our country stood a severe political test, defended socialism, and consolidated and developed the political situation of stability and unity. The country is now enjoying economic, political, and social stability. This is the necessary prerequisite and fundamental guarantee of the modernization program as well as the cause of reform and opening up to the outside world.

In the last decade of this century, in which the Eighth Five-Year Plan will be implemented, the priorities of our country's economic development will be vigorously boosting agriculture and basic industries, such as energy, communications, telecommunications, and major raw and semifinished materials, and strengthening the construction of infrastructural facilities. Agriculture, which is the foundation of the national economy, is of primary importance in economic development. In boosting agriculture: 1) We should rely on deepened rural reform, stabilize and improve the system of contracted responsibilities on the household basis, with payment linked to output, stabilize all effective policies, develop socialized services, improve the two-tier management system; 2) rely on increased input; 3) rely on the use of science and technology; and 4) we should rely on active expansion of circulation channels for farm produce. Developing basic industries will help gather more momentum for continued economic development. Therefore, we should have a long-term and consistent line of thinking, attach equal importance to development and conservation while developing basic industries, and tap enterprises' internal potentials by relying on scientific and technological progress.

The orientation of economic restructuring during the Eighth Five-Year Plan and the coming 10 years is establishment of an economic structure characterized by the integration of planned economy and regulation by market mechanisms and of an operational mechanism. How should the two be integrated? This is an important topic which the whole party and people throughout the nation should make energetic and effective efforts to study and explore both in theory and practice. The ongoing economic structural reform, which is the self-improvement and self-development of the socialist system, is aimed at eliminating the various drawbacks of the past economic structure, establishing a new socialist planned economic structure, a structure which is systematic and standard. The purpose of economic restructuring is to infuse fresh vigor into the economy so that it can develop in a sustained, steady, and coordinated way and to avoid the recurrence of big twists and turns. If the economy is developed, the people's livelihood is improved gradually on the basis of expanded production, the people perceive from their own experiences the superiority of socialism, this will help promote further political and social stability, and political and social stability will help further promote economic development.

While deepening the economic structural reform, we should actively carry forward the political structural reform, such as adhering to the system of people's congresses, the system of multiparty cooperation under the leadership of the CPC, and the system of political consultation and establishing a sound system of democratic policymaking and supervision, and proceed to establish socialist democratic politics in our country and mobilize the enthusiasm of all sides concerned. In addition, while building material civilization, we should strengthen the building of socialist spiritual civilization and party building, put an end to the situation in which the work of ideological and political education had been neglected for quite some time in the past, and overcome the error of "being hard on the one hand, but soft on the other."

Our country's current economic situation, which is both gratifying and worrying, is very grim in some aspects. The main manifestations are that the sluggish market has not yet recovered on the whole, the enterprises' sliding economic efficiency has not been completely checked, and there are still difficulties in state finances. In 1991, a "quality, variety, and efficiency year" campaign will be launched. So long as the people all over the country fight in unity, regard improvement of economic results and readjustment of the economic structure as the focus of work while continuing to improve the economic environment and rectify the economic order and deepening reform, strengthen enterprise management and technological transformation, fully tap potentials, and make a sustained effort to increase production and practice economy, we certainly can overcome the difficulties and contradictions lying before us and 1991 will truly

become a "quality, variety, and efficiency year" and a good beginning in our advance in this "very crucial" decade.

Article on Chen Yun Talk With Zhejiang Leaders

OW1801074491 Beijing Domestic Service
in Mandarin 2230 GMT 17 Jan 91

[From the "News and Press Review" program]

[Text] RENMIN RIBAO today [18 January] has published a theoretical article by Li Zemin, secretary of the Zhejiang provincial party committee, entitled "Improve Work Methods, Raise Leadership Standards." The article describes the author's thoughts after studying Comrade Chen Yun's important principle of not always doing things as one is told or according to books, and just doing a solid job and one of exchange, comparison, and repetition.

The article reveals, for the first time, the contents of Comrade Chen Yun's talk to party, government, and military leaders of Zhejiang Province at a meeting on 24 January 1990. Hence, a RENMIN RIBAO reporter interviewed the responsible comrades of the Zhejiang provincial party committee to learn about the main points of Comrade Chen Yun's talk at that time.

On the morning of 24 January 1990, Secretary Li Zemin, Standing Committee members, and other comrades of the Zhejiang provincial party committee called on Comrade Chen Yun to extend New Year greetings to him. After pictures were taken, Comrade Chen Yun had a lengthy talk with the comrades from Zhejiang. Comrade Chen Yun began the talk by showing and presenting a scroll of calligraphy he had written to Comrade Li Zemin. The scroll reads: "Do Not Always Do Things as One Is Told or According to Books, and Just Do a Solid Job; Exchange, Comparison, and Repetition."

Comrade Chen Yun said: When I was in Yanan, I carefully studied documents and telegrams drafted by Chairman Mao. After completing the study, I was impressed with the basic guiding principle imbued in the documents and telegrams; that is, the principle of seeking truth from facts. How can we seek truth from facts? My answer then was summarized in the 15 characters I had written on the scroll.

Comrade Chen Yun said: Not always doing things as one is told does not mean disobeying instructions from higher levels; not always doing things according to books does not mean that it is not necessary to study documents and books; and just doing a solid job means proceeding from reality in studying and handling problems in a realistic spirit. This is the most reliable method. Exchange means exchanging views; frequent exchange of views with others, especially views of the opposite side, can only be beneficial, not harmful, to leading cadres. Comparison means that one should compare himself with people at higher and lower levels and

those surrounding him. Repetition means that decisions should not be made in a haste but after repeated discussions.

Comrade Chen Yun said: The first nine of the 15 characters belong to materialism and the last six, to dialectics. Taken together, these 15 characters explain materialist dialectics.

Comrade Chen Yun said: I have another thought for your reference: There are two methods for conducting investigative studies. The first method is for leading cadres to take a personal hand in sending or leading work teams down to the countryside or factories. This method is, of course, essential. The second method is through very close friends or personal staff members who dare to speak the truth to senior- and middle-ranking cadres. In this way, senior- and middle-ranking cadres can regularly hear the voices of grass-roots cadres and the masses. The second method is characterized by truthfulness, promptness, and extensiveness. Truthfulness means the courage to report things or air views as they really are to trustworthy senior- and middle-ranking cadres who will not pick on their friends or staff members. Some of my friends belong to this category. Promptness means to identify problems in good time while they are still in an embryonic stage. Extensiveness means the broad distribution of senior- and middle-ranking cadres, including those who are retired, in all provinces and municipalities and all trades and professions throughout the country. In a certain sense, the latter is more important. Both methods for conducting investigative studies are essential; neither is dispensable.

Roundup of Modern Socialism Symposium

HK1801041391 Beijing RENMIN RIBAO in Chinese
4 Jan 91 p 5

[Article by Zheng Hongbo (6774 1738 3134): "Roundup of a 'Seminar on Theory and Practice Regarding Historical Materialism and Contemporary Socialism'"]

[Text] To support and further the nationwide drive of studying Marxist philosophy and socialist theory, the China Society of Historical Materialism, the Sichuan Provincial Academy of Social Sciences, and four other organizations, last year sponsored a "Seminar on Theory and Practice Regarding Historical Materialism and Contemporary Socialism" in Chengdu City, in which more than 100 theoreticians from all over the country participated by invitation. Centering around the theme—theory and practice regarding historical materialism and contemporary socialism—the participants had a lively discussion of some problems, such as the characteristics of our times, the basic contradictions of socialist society and reform, class struggle during the socialist period, and opposition to "peaceful evolution." I would now like to give a roundup on the following two problems:

Opposition to "Peaceful Evolution"

The participants unanimously agreed that "peaceful evolution" is a major offensive strategy adopted by contemporary international reactionary forces against socialist countries. "Peaceful evolution" and opposition to it is an important form of the struggle between two social systems and between two ideologies in the world. "Peaceful evolution" is the main and real danger that faces socialist countries nowadays. By infiltrating the political, ideological, cultural, and moral fields, the international hostile forces have waged a war without gunfire and have won victory without really fighting a war. The crux of "peaceful evolution" is to turn socialism into capitalism. The strategy of "peaceful evolution" underwent a process of formation and development and has been implemented since the 1970's. This strategy has the following main characteristics: 1) An all-around infiltration is launched through such normal channels as economic and technological aid and ideological and cultural exchanges and, in this regard, "psychological tactics are the first choice"; 2) efforts are made to exert influence and win over figures at the higher levels in socialist countries; 3) efforts are made to win over young intellectuals and hope is placed on the third and fourth generations; 4) both hard and soft tactics are used and the policy of alternately striking and stroking is adopted; and 5) the international hostile forces have reached a common understanding on joint operations.

Some participants held that some internal factors for "peaceful evolution" exist in socialist countries: 1) Class struggle exists within a certain scope in socialist society, and may be intensified under certain conditions, and there is still a possibility of capitalist restoration. 2) Productive forces and living standards are relatively low. If one fails to approach this problem in a scientific manner and from a historical viewpoint one, being tempted by the material civilization of the West, will have doubts about the superiority of socialism and thus fall captive to the policy of "peaceful evolution." 3) The newly born socialist system is not perfect and therefore has some loopholes that can be used. If we adopt incorrect policies and commit mistakes in our work, the forces for bourgeois liberalization will make use of this to attack the socialist system. 4) The individual and private economies have dual characteristics. On the one hand they are useful and necessary complements to socialist economic development; on the other, they have negative influence on socialist economic development. Their negative influence is displayed in the tendency to long for the private ownership system and completely free market economy on the part of private commodity producers. In the political, ideological, and cultural fields, the representatives for such aspirations are those who stick to the bourgeois liberalization stand. 5) Bourgeois extreme individualism and money worship, and feudal and semicolonial ideologies and views which are inherited from the old society, continue to exist and serve as the ideological basis for ideological and cultural infiltration launched by the international bourgeoisie

and the wild dissemination of the ideological trend of bourgeois liberalization. 6) Reform and opening up is the way to national self-strengthening and must be upheld. At the same time, however, opening up to the world and contact with the West will inevitably lead to an influx of some negative and unhealthy things. By the way, the international bourgeoisie has also tried by every means to make use of our opening up policy to step up their infiltration efforts. The development of the commodity economy will also encourage some people to adopt the tendency toward money worship which "regards money as everything." 7) Some CPC members, as the ruling party, will possibly degenerate and the party is facing the test in the struggle against "peaceful evolution," in the reform and opening up process, and in a peaceful environment. We must not underestimate the capacity of those who stubbornly stick to the bourgeois liberalization stand and the possibility that they will usurp the leadership of the party and government and split, disintegrate, and transform the party.

The participants widely endorsed the idea that a complete strategy should be formulated as soon as possible to counter "peaceful evolution" and to carry out long-term anti-"peaceful evolution" education. At present, the following principal measures should be adopted: 1) Step up the party's self-development and root out corruption; 2) concentrate our resources to develop socialist economy according to our national conditions, further deepen reform and the opening up process, and bring the superiority of socialism into full play; 3) launch an offensive in the realm of ideology, occupy the ideological front with proletarian world outlook, outlook on life, values, and moral standards and, while opposing bourgeois liberalization, resolutely strike back imperialists' psychological tactics of "peaceful evolution"; 4) take up fostering successors to the proletariat's revolutionary cause as a task of strategic importance; and 5) educate all the party and all the people so that they will have a full understanding of "peaceful evolution" as a serious threat, heighten their alert, and take the initiative in resisting corrosion of all kinds of bourgeois ideology and culture.

How To Evaluate Our Era

The evaluation of our era is in substance a question concerning the evaluation of the basic contradictions in the world and their development trend. This is the very basis on which we are to formulate our strategy and policies. As far as this is concerned, "leftist" thinking is expressed in the lack of thorough understanding of the struggle between socialism and capitalism as a protracted, complicated, and tortuous process, and in impetuosity and overeagerness for success, which may instead lead to failure. On the other hand, rightist thinking is reflected in the doubts about, and even repudiation of, the trend that socialism will inevitably replace capitalism and the wavering in the faith in socialism. Therefore, correctly understanding our times is of great importance to us in formulating a correct

strategy and appropriate policies and in persistently striving for the victory of socialism.

What we mean by era is a historical stage of the social and political development of mankind which defines the form, nature, and state of society from the viewpoint of historical materialism. The development of human history can be divided into different perspectives. There are many different points of view to guide the division of the development process of human history into stages. In the study of the division of social and political development of society, we must first of all select the criteria and methods for distinguishing an era. One view holds that there are four criteria, and thus four methods, for distinguishing an era: 1) Which class is the main motive force pushing society ahead? 2) which class represents the center of the era and determines its main features and the main direction of development? 3) the nature of the production relations and the balance of force between different classes; 4) the basic features of an era should be distinguished from the special characteristics of different stages. However, in dividing political history into stages, we must also take the scientific and technological standards and the level of productive forces into account. These are the original criteria, but not the direct criteria, for division into eras. The second view holds that it is necessary to distinguish an era in light of the political, economic, and cultural contents of a society and from the viewpoint of social formation and the replacement of production modes. The third view holds that in selecting a criterion for distinguishing an era one must consider from the viewpoint of the perceiver [zhu ti xing wen ti 0031 7555 1840 0795 7344]. Different perceivers may have different views on the same social era. Only by adopting the Marxist stand, viewpoint, and method, will we be able to correctly distinguish an era. The fourth view holds that one must apply the philosophical method to the analysis of eras and apply the method of contradiction analysis and the principle of dialectical relations, between necessity and contingency, to the summarization of the features of an era which show regularity. The fifth view holds that the dialectical method for analysis of eras can be expressed in a concrete manner as follows: The replacement of capitalism by socialism is the result of the joint function of universality and particularity and the result of the unity between identity and diversity; a tortuous and complicated process in the struggle of different contradictions; and the unity of availability and lack of conditions (necessity and contingency). Quite a number of participants endorsed the view of "great era and small stages" or, to put it more precisely, the view that a great era contains a few stages of development. We must study the division of a great era, because it is the theoretical basis for the party's maximum program; we must also reveal the special features and trends of different small stages (small eras) because they serve as the theoretical basis for the party's line, principles, and policies at the present stage.

According to the above principles, the participants put forward five summarizations of the era: 1) The era of

imperialism and proletarian revolution. This was Lenin's thesis. The principal contradiction of the world today has not changed and Lenin's summarization of the era remains valid. The only changes are reflected in certain specific characteristics of the era. Therefore, we should now summarize the features of all the small development stages of this great era. 2) The era of transition from capitalism to socialism. The triumph of socialist revolution and the new circumstances and new characteristics of today's capitalist society require us to resummarize the present era. The social basis for the "era of transition" is the coexistence of two systems on earth and the basic motive force is the movement of the basic contradictions of society. Transition is a long and tortuous process which proceeds, stage by stage, in the form of either drastic or gradual change. This era went through the first stage of revolutions and wars in the first half of the century and is now going through the second stage of peace and development in the second half of the century. The present stage has five main characteristics, namely, the relative peace; the confrontation and coexistence of the two major systems; aggravating imbalance in economic development; economic internationalization and the rise of a global commodity economy; and the intensification of two trends, namely, association and competition. 3) The socialist era. This is the simplified version of the above two summarizations. The principal contradiction of our era is the contradiction between the proletariat and the bourgeoisie and between socialism and capitalism. The coexistence of the two sides of the contradiction will end up with capitalism's decline from world monopoly and its demise. Socialism will rise, grow strong, and finally replace capitalism. So long as socialist countries make full use of the present relatively peaceful environment and vigorously develop science, technology, and their economies, the socialist movement will tide over its difficult period, reach its climax, and bring about bright prospects for the socialist era. 4) The era of confrontation and coexistence of capitalism and socialism. The present period is a stage of stalemate. 5) The era of the maturity of capitalism and the growth of socialism. The capitalist production mode has matured and is playing a dominant role at this stage but, sooner or later, it will be replaced by a new production mode. The socialist production mode has taken shape and is developing. As a rising force to negate the previous production mode, it represents the trend of historical development.

Regarding the era's general development trend, the participants widely agreed that capitalism will inevitably meet its doom. As far as its specific form of decline is concerned, one view holds that the transition from capitalism to socialism will be completed only after going through many cycles of development of social contradictions after the formula: intensification-mitigation-intensification.... Another view holds that Comrade Mao Zedong's thesis is still valid—the proletariat will fight, fail, and fight again, until the final victory; while the reactionary classes will make trouble, fail, and make trouble again, until they meet their doom.

Wu Xueqian Attends Spring Festival Party

OW1701212091 Beijing XINHUA Domestic Service
in Chinese 1050 GMT 17 Jan 91

[By reporter Zhang Chengzhi (1728 2110 1807)]

[Excerpts] Beijing, 17 Jan (XINHUA)—The Overseas Chinese Affairs Committee of the the National Committee of the Chinese People's Political Consultative Conference [CPPCC] held a tea party to greet the Spring Festival at the CPPCC auditorium today. At the party, Lu Jiaxi, vice chairman of the CPPCC National Committee, on behalf of the Overseas Chinese Affairs Committee, wished returned Overseas Chinese and their dependents throughout China, compatriots, relatives, and friends living overseas good health and happiness in the new year.

More than 200 people, including Wu Xueqian, Ding Guangen, Gu Mu, and Cheng Siyuan, as well as responsible persons of the Overseas Chinese Affairs Committee of the National People's Congress and the All-China Federation of Returned Overseas Chinese; and Overseas Chinese, compatriots from Hong Kong, Macao, and Taiwan, and Overseas Chinese entrepreneurs who are currently in Beijing, attended the party.

Addressing the party, Lu Jiaxi, chairman of the Overseas Chinese Affairs Committee of the CPPCC National Committee, said that in the past year, returned Overseas Chinese and their dependents have struggled in unity with the people of the whole country to overcome difficulties and, while working hard at their posts, have not only made suggestions and demonstrated their wisdom but have also taken advantage of their good connections with compatriots, relatives, and friends overseas, thus making great contributions to the motherland's economic construction and reform and opening to the outside world. [passage omitted]

Lu Jiaxi said: This year is the first year of the Eighth Five-Year Plan. In the new year, the Overseas Chinese Affairs Committee of the CPPCC National Committee will give full play to the role of the CPPCC as an organ for political consultation and democratic supervision, strengthen its contacts and ties with returned Overseas Chinese, their dependents, compatriots in Hong Kong and Macao, Overseas Chinese compatriots, and relatives and friends overseas; promptly inform the government and relevant departments of their opinions, proposals, and demands; and assist the government in implementing policies on Overseas Chinese affairs. Together with the returned Overseas Chinese and their dependents, the committee will strive to make contributions to the building of socialist spiritual and material civilizations in the motherland and to the peaceful reunification of China. [passage omitted]

Li Ximing, Chen Xitong at New Magazine Launch
*OW1801071391 Beijing XINHUA Domestic Service
in Chinese 1322 GMT 17 Jan 91*

[By trainee Xu Renjie (1776 0088 2638)]

[Excerpts] Beijing, 17 January (XINHUA)—The inaugural issue of the bimonthly ZHENDI [7109 0966 - POSITION], a general theoretical magazine with the major aim of publicizing Marxism, was released in Beijing today.

ZHENDI is sponsored by the Capital Socioeconomic Development Institute. It contains columns on ideological commentaries, arts commentaries, theoretical roundups, special interviews, and book reviews. [passage omitted]

Li Ximing, member of the Political Bureau of the CPC Central Committee and secretary of the Beijing Municipal CPC Committee; and Chen Xitong, state councillor and mayor of Beijing Municipality, attended the ceremony and spoke. Zhang Youyu, Wei Wei, Xing Benshi, Liu Guoguang, Han Shuying, Wu Shuqing, and other experts, scholars and theorists, numbering more than 100 people, got together to welcome the release of ZHENDI.

Song Jian Urges Service System in Rural Areas
*OW1701212291 Beijing XINHUA Domestic Service
in Chinese 0858 GMT 17 Jan 91*

[By reporter Jiang Jun (1203 6511)]

[Text] Beijing, 17 Jan (XINHUA)—At today's meeting to commend supply and marketing cooperatives that have distinguished themselves in offering service to promote agriculture through science and technology, State Councillor Song Jian said that, in the days to come, while China's rural areas will strive to improve the household contract responsibility system by linking output to payments as the main goal, they will also actively develop a socialized service system in order to integrate the superiority of collective management with the enthusiasm of peasant household production and management. Moreover, where conditions permit, different forms of large-scale operations will be encouraged.

Song Jian pointed out: Supply and marketing cooperatives, from the viewpoint of characteristics, strength, and distribution, are a strong force for deepening reform and economic development in rural areas. They made important contributions to doubling the GNP during the 1980's. With the further development of the rural economy in the 1990's, supply and marketing cooperatives will have a greater role to play. As a branch of the socialist economy, supply and marketing cooperatives can pool scattered financial resources, spread scientific and technological achievements, change the traditionally backward mode of production of natural economy,

develop large-scale economic operations, and substantially increase their labor productivity and vitality in the end.

He stressed: In providing socialized services in rural areas, supply and marketing cooperatives should foster the concept of promoting agriculture with science and technology and strive to use every branch of modern science and technology to promote the balanced development of the rural economy and social development. This requires that personnel in supply and marketing cooperatives strive to raise their scientific and technological level. At the same time, supply and marketing cooperatives should recruit a large number of scientists and technicians in order to raise their ability to provide better services and to develop new industries.

Overseas Chinese Federation Ends Plenum

*OW1701184791 Beijing XINHUA Domestic Service
in Chinese 0812 GMT 17 Jan 91*

[By reporter Zhang Chengzhi (1728 2110 1807)]

[Text] Beijing, 17 Jan (XINHUA)—The Second Plenary Session of the Fourth Committee of the All-China Federation of Overseas Chinese ended in Beijing today.

State Councillor Wu Xueqian attended and addressed the meeting today.

During the four-day Second Plenary Session of the Fourth Committee of the All-China Federation of Overseas Chinese, committee members deliberated and passed, in principle, the work report by President Zhuang Yanlin; the work program of the fourth committee for the next five years; rules of procedure of the association; approved the "decision to present an honorary certificate to comrade Zhou Gaozhi for services rendered to the Federation of Overseas Chinese for three decades"; elected He Dianfa, Yin Rizhuang, Cai Gaoqing, Xiao Zhengde as additional Standing Committee members of the All-China Federation of Overseas Chinese; Lao Furu, and (Ma-Si- Hu-Ti Wa-Li) as committee members of the All-China Federation of Overseas Chinese.

The second plenary session of the Fourth Committee of the All-China Federation of Overseas Chinese called on federations of Overseas Chinese at all levels nationwide to earnestly study the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, penetratingly propagate and implement the "Law on Protection of the Rights and Interests of Returned Overseas Chinese and Their Relatives"; unite the broad masses of returned Overseas Chinese, their relatives as well as overseas compatriots; and work hard to fulfill the national economic and economic development program under the Eighth Five-Year Plan, to effect the rejuvenation of China, to bring about the reunification of the motherland, and to promote friendly cooperation with people of various countries.

At today's meeting, the All-China Federation of Overseas Chinese presented honorary certificates to 998 comrades who have served the federation of Overseas Chinese for thirty years.

Li Xiannian, Zou Jiahua Attend Shanghai Soiree

*OW1701102391 Shanghai City Service in Mandarin
2300 GMT 31 Dec 90*

[Text] Li Xiannian, chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], attended a soiree of Beijing Opera performances in celebration of the New Year in Shanghai on the evening of 31 December and joyfully joined the Shanghai people in ushering in the new year. He was accompanied on the occasion by Zhu Rongji, secretary of the Shanghai Municipal CPC Committee and mayor of Shanghai. Also present at the soiree were Zou Jiahua, state councillor and minister of the State Planning Commission; and Su Buqing and Liu Jingji, vice chairman of the CPPCC National Committee.

Shanghai's Beijing Opera Company performed three Beijing Opera numbers—Miao Yu [A Meeting at the Temple], an aria of Wang Jiang Ting [Wangjiang Pavilion]; Zha Mei An [Execution of the Beauty]; and Feng Huan Cao [Phoenix Returns to its Nest].

Comrade Li Xiannian exchanged new year's greetings with the audience, praised the actors and actresses for their excellent performances, and encouraged them to continue to work hard for the development of Chinese culture and the Beijing opera.

Li Tiesing Urges Developing Vocational Education

*OW1801135691 Beijing XINHUA in English
1326 GMT 18 Jan 91*

[Text] Beijing, January 18 (XINHUA)—A senior Chinese education official said today that China must give top priority to education, vocational and technical education in particular, to realize the goal of doubling its present GNP by the end of the century.

Minister of the State Education Commission Li Tiesing said at a national vocational and technical education conference, which started today, that China needs large number of highly trained quality laborers to develop the country.

In order to raise the quality of laborers, Li said, China must fully develop its vocational and technical education while raising the overall education level of the nation's population.

In the past ten years, vocational and technical education in China has developed very quickly. Some six million students are currently enrolled the country's 16,000 and more vocational and technical schools, three times the enrollment of 1980. In this period, more than 11 million

students have been graduated from these schools and some 100 million have been trained in various technical training courses.

However, according to Li, vocational and technical education in China is still rather weak. It has fallen behind the demands of economic development and there is much room for improvement in the educational system, content and approach.

He said that in the next 10 years China will face the task of pushing this form of education still forward so that by the end of the century, every new business recruit will have received the necessary vocational training, and every new laborer in the countryside will have been trained in practical skills.

To realize this goal, Li called for further efforts to run the existing vocational and technical schools more efficiently, and enlarge their scale and enrollment.

He also said that primary school graduates who do not go to either junior or senior middle school, should be guaranteed an opportunity to receive pre-employment vocational training, adding that vocational and technical education should be introduced into ordinary education so as to foster the students' desire for a vocation.

Deng Xiaoping Writes Model Cities' Inscriptions

*OW1701234891 Beijing XINHUA Domestic Service
in Chinese 0922 GMT 16 Jan 91*

[Text] Beijing, 16 January (XINHUA)—On 7 December 1990, Comrade Deng Xiaoping wrote inscriptions for model "two-support" units that had been accorded the titles "model two-support city" and "model two-support county" by the Ministry of Civil Affairs and the People's Liberation Army General Political Department.

Li Ruihuan Inscribes New Harbin Periodical

*SK1801043291 Harbin Heilongjiang Provincial
Service in Mandarin 1000 GMT 17 Jan 91*

[Text] A multipurpose periodical LIUYUE [June] designed to provide literary works and knowledge to youths and middle school students will be published in Harbin in May. Comrade Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee, wrote an inscription for the periodical reading "A Bosom Friend of Youths." LIUYUE, a bimonthly periodical, will be published by the Harbin City Federation of Literary and Art Circles and the city office charged with children's work. Through various vivid and lively measures, the periodical will educate youths on communist ideals and morality, and ways to become a new generation of persons who have lofty ideals and moral characters, and who are better educated and well-disciplined. It will also disseminate knowledge, expand the field of vision of youths, and inspire their wisdom. It will carry the works of youths, and train people well versed in literature.

Writes Inscription for Martyr

SK1801063391 Tianjin City Service in Mandarin
2300 GMT 17 Jan 91

[Text] Thanks to the great support of the pertinent departments of the municipality, the tomb of Martyr (Yu Fangzhou) was recently built in Ninghe County. Comrade Li Ruihuan wrote an inscription reading "An Honor to Tianjin."

Comrade (Yu Fangzhou) was one of the revolutionary activists in the early period of our party, and a major founder of the Tianjin CPC Local Executive Committee. He was born in the (Diaokou) Village of Ninghe County on 22 August 1900. He participated in the 4 May movement in Tianjin in 1919, and waged struggles against the enemy for six months together with Zhou Enlai and others in jail in 1920. After he was released, he organized the Tianjin Marxist Study Society with the guidance of Li Dazhao, joined the CPC in 1923, established the Tianjin CPC Local Executive Committee in 1924 and served as its secretary, and died heroically when leading an insurrection in front of a jail in January 1928.

Enterprises Upgraded During 7th 5-Year Plan

OW1701142691 Beijing XINHUA Domestic Service
in Chinese 2121 GMT 15 Jan 91

[By reporter Zhang Jinsheng (1728 6930 0524)]

[Text] Beijing, 16 Jan (XINHUA)—The upgrading work of China's enterprises, with "stress on management, aim for higher grade and all-around improvement in quality" as the principal content, has been launched comprehensively in a planned and systematic manner and achieved remarkable results during the Seventh Five-Year Plan period. Presently, there are 132 state's first class and 4,210 second class enterprises in the whole country.

According to the introduction by the State Council's Enterprises Guidance Committee, the State Council promulgated the "decisions on several issues concerning strengthening management of industrial enterprises" in July 1986, which, among other things, set forth the unfolding of enterprise upgrading work. This is an important step taken by the state to strengthen enterprise management. In the past four years or more, various departments and localities and broad masses of enterprises have conscientiously carried out the work of upgrading enterprises in accordance with the requirements contained in the "decisions." Based on the international advanced standards at the end of the 1970's and beginning of the 1980's, as well as the advanced standards of the same lines of enterprises within the country, the various departments in the State Council have formulated 421 standards for the state's first class enterprises and 671 standards for the second class enterprises, with product quality, material consumption, economic efficiency, and production safety as the criteria of assessment. At the same time, various localities have also

formulated advanced enterprise standards suitable to local situations at the provincial level according to the advanced standard of the same fields of enterprises in the localities.

In the course of examining and approving the state's second class enterprises which comprise those from the industrial enterprises section including machine-building, electronics, light industry, textile, chemical, metallurgical, petrochemical, non-ferrous metal industries and from the non-industrial enterprises section, a total of 4,210 enterprises in four batches have been assessed, out of which 3,691 are industrial enterprises, accounting for 88 percent of the total of the entire state's second class enterprises, and 9.3 percent of the estimated total of the country's industrial enterprises. These enterprises basically constitute the backbone enterprises of the leading industries of the various departments. They represent the advanced level of the various industries in the country.

According to the statistics given by the Ministry of Machine-Building and Electronics Industry on the 885 state's second class enterprises, out of the 4,710 types of their major products, 265 of them have reached current international advanced standard, accounting for 5.4 percent of the total of major products; while 2,563 of them have reached the international advanced standard of the 1970's and 1980's, representing 54.5 percent of the total of major products; and the rest have reached the general international standard. At the same time, the various localities have also assessed and approved approximately 6,000 advanced enterprises at provincial (autonomous regional, municipal) level.

The 132 state's first class enterprises which are reputedly the leaders of China's industrial take-off, were selected from two batches of the state's second class enterprises by the relevant department in the State Council and approved after further evaluation. Their major products have all reached the advanced international standard of the 1970's and 1980's, and one-third of them have reached the current advanced international standard. Their various economic efficiency targets—especially the profit and tax rate on capital, per capita profit and tax and productivity—have all surpassed the average standard of the industrial enterprises of the country by a wide margin.

In order to consolidate the achievements of enterprise upgrading and ensure that the upgraded enterprises will not slacken their management, the various departments of the State Council and various localities further earnestly rechecked a number of state's second class enterprises last year. Those which did not measure up to the various standards assessed and those which had a downhill slide in management were given a deadline to straighten up or have their grading revoked. To date, a total of 200 second class enterprises have been duly dealt with to varying degrees.

The launching of the drive to upgrade enterprises has gradually established an incentive mechanism for spurring the enterprises to catch up with or even surpass the advanced international or national standards, and propelled the development of enterprise management and technological progress simultaneously. Besides, it is also conducive to strengthening enterprise management. This task is not only of positive significance in changing the backwardness in enterprise management, but also of practical significance in readjusting product mix, improving quality, increasing variety, lowering consumption, and improving efficiency.

Implementation Rules for Land Management Law

*OW1701134191 Beijing XINHUA Domestic Service
in Chinese 0852 GMT 14 Jan 91*

[Text] Beijing, 14 Jan (XINHUA)—Regulations for the Implementation of the Land Management Law of the People's Republic of China

Chapter One General Principles

Article 1. These regulations have been formulated in accordance with the provisions of Article 56 of the "Land Management Law of the People's Republic of China" (hereinafter referred to as the "Land Management Law").

Article 2. The State Land Administration Bureau is in charge of unified management of national land.

Chapter Two Land Ownership and Land-Use Rights

Article 3. The following types of land are owned by the whole people or the state:

- A. Land in the urban districts of cities.
- B. Land in rural areas and suburban areas of cities that is confiscated, requisitioned, appropriated, purchased, or nationalized in accordance with the law (excluding land designated or defined as being owned by the collectives in accordance with the law).
- C. Forestry land, grasslands, mountains, wasteland, shoals, floodlands, and other types of land not defined by the state as being owned by the collectives.

Article 4. Owners of collectively owned land and users of state-owned land must file land registration applications with the land management departments of local people's governments at or above the county level.

County people's governments shall register collectively owned land and issue "collective land deeds" to confirm ownership.

Local people's governments at or above the county level shall register state-owned land used by units and individuals in accordance with the law and issue "user certificates for state-owned land" to confirm land-use rights.

Land deeds and certificates shall be designed under the unified authority of the State Land Administration Bureau.

Ownership of forestry land and grassland, and the right to use them, shall be confirmed pursuant to the relevant regulations in the "Forestry Law" and the "Grassland Law," while the right to use bodies of water and shoals for breeding purposes shall be confirmed pursuant to the relevant regulations in the "Fishery Law."

Article 5. State-owned land not yet developed or used shall be registered with local people's governments at or above the county level for protection and management.

Article 6. Applications must be filed with the land management departments of local people's governments at or above the county level for changes in ownership and land-use rights, if land ownership and land-use rights are changed in accordance with the law, or if land-use rights are transferred as a result of selling or transferring structures located on, or attached to, the land. Local people's governments at or above the county level shall change the relevant land deeds and certificates.

The sale or transfer of structures located on, or attached to, the land shall be accompanied by transferral procedures conducted pursuant to relevant state regulations.

Article 7. In rescinding the land-use rights of user units in accordance with Article 19 of the "Land Management Law," land management departments shall apply to people's governments at or above the county level to revoke user certificates for state-owned land, and the land management departments shall nullify the land registers.

Article 8. Disputes involving land ownership and land-use rights among state-owned units, among collectively owned units, and between state-owned and collectively owned units shall be handled by the people's governments at or above the county level in the places where the land at issue is situated.

Disputes involving land-use rights among individuals and between individuals and state- and collectively owned units shall be handled by the people's governments at the township or county level in the places where the land at issue is situated.

Where land ownership and land-use rights need to be reconfirmed as a result of disputes, people's governments at or above the county level shall issue land deeds and certificates to confirm the ownership and land-use rights.

Chapter Three Utilization and Protection of Land

Article 9. The state shall establish a land survey system. Land surveys shall include investigations into land ownership and the current state of land utilization as well as surveys of land conditions.

The State Land Administration Bureau shall draw up national land survey plans with relevant departments and implement them after obtaining the State Council's approval.

The land management departments of local people's governments at or above the county level shall formulate local land survey plans with relevant departments. They shall implement the plans after obtaining the approval of people's governments at the same level and submitting the plans to the people's governments at the next higher level for filing purposes.

The land management departments of people's governments at or above the county level shall organize relevant departments to conduct land surveys. Land owners and users shall cooperate in such surveys by furnishing the needed information.

Article 10. The land management departments of people's governments at or above the county level shall, in conjunction with relevant departments, grade land on the basis of the findings of land surveys.

Article 11. The state shall initiate a land statistical system. Together with statistical departments, the land management departments of people's governments at or above the county level shall compile statistics on land in accordance with the law. Statisticians shall exercise their functions and powers in accordance with the law in compiling land statistics. Land owners and users shall provide statistics, and may not make false reports, underreport, refuse to provide information, submit information belatedly, falsify relevant documents, or make misrepresentations.

Article 12. The State Land Administration Bureau shall work out overall plans for national land utilization in conjunction with relevant departments. The plans shall be implemented after the State Planning Commission has made overall adjustments and the State Council has granted its approval.

The overall plans for land utilization of local people's governments at or above the county level shall be drawn up by the land management departments of local people's governments at or above the county level in conjunction with pertinent departments. The plans shall be implemented after the planning departments at the same level have made overall adjustments; the people's governments at the same level have examined and endorsed them; and the people's governments at the next higher level have granted their approval.

The overall plans for land utilization of people's governments at the township level shall be worked out by those governments. They shall be implemented after the people's governments at the county level have granted their approval.

Amendments to approved overall plans for land utilization shall be made with the approval of the agencies that granted the original approval.

Article 13. Applications must be filed with local land management departments to develop barren hills, wasteland, and shoals. These applications shall be handled by local people's governments at or above the county level in accordance with the authority of approval granted them by relevant provincial, autonomous regional, and municipal regulations, or in accordance with pertinent laws and regulations if there are any. Single-stage development of land with areas ranging between 10,000 mu and 20,000 mu is subject to approval by the State Land Administration Bureau, while single-stage development of land with areas of 20,000 mu or more is subject to approval by the State Council.

Article 14. Units or individuals wanting to convert farmland into nonfarmland must obtain the approval of people's governments at or above the county level.

Article 15. Land contracted and run by units and individuals shall be used for the prescribed purposes, as shall private land and hills designated for personal use in accordance with the law. No houses, kilns, and tombs shall be built on such land and hills, and no mining, quarrying, placer mining, or excavation shall be carried out.

The units and individuals mentioned in the preceding clause must file land-use applications with the land management departments of local people's governments at or above the county level to carry out such activities as mining, quarrying, placer mining, and excavation. Their applications shall be approved by people's governments at or above the county level, or handled in accordance with relevant laws and regulations if the activities are governed by laws and regulations.

Article 16. User units and individuals must reclaim land that can be reclaimed after mining, placer mining, and excavation in accordance with the "Provisions on Land Reclamation" promulgated by the State Council. Together with relevant departments, the land management departments of people's governments at or above the county level shall inspect and accept land so reclaimed.

Chapter Four Land for National Construction

Article 17. It is necessary to be economical and reasonable in requisitioning land for economic, cultural, and defense construction and for public facilities and services. Documents outlining the designs and purposes of construction projects shall be accompanied with the comments of land management departments, when presented for approval.

Article 18. The procedures for the examination and approval of applications for land requisition for national construction are as follows:

A. When applying for land requisition, construction units shall present approved documents outlining the designs and purposes of construction projects, preliminary designs, or annual capital construction plans to the

land management departments of the local people's governments at or above the county level in the places where the requisitioned land is situated.

B. The land management departments of the local people's governments at or above the county level shall then examine and approve the applications and delimit the land to be requisitioned. Furthermore, they shall summon the construction units, units representing the requisitioned land, and other pertinent units to discuss compensation and relocation plans for the land requisitioned in accordance with the law, and submit the plans to the people's governments at or above the county level for approval.

C. After approving the applications for land requisition in compliance with their mandate prescribed by the law, the people's governments at or above the county level in the places where the requisitioned land is situated shall issue instruments of ratification for land requisition for construction. The land management departments shall then release the land altogether, or in phases, in accordance with the construction schedule.

When the competent department organizes the departments concerned to check a completed project before acceptance, the land management department of the people's government at the county level or higher shall check the land actually used (in the case of a completed project in an urban planning zone, the competent administrative department in charge of urban planning shall check the land actually used together with the land management department), and after passing the check, the land users may file land registration pursuant to the relevant provisions in Chapter Two of these regulations and apply for a user certificate for state-owned land.

A construction unit or individual applying for land requisition in an urban planning zone shall follow the procedure stipulated in the preceding paragraph after obtaining a construction land license.

Article 19. Application for approval for land needed for a railway, highway, oil pipeline, or water pipeline project shall be filed at the same time on the basis of the project's overall blueprint, but requisition and transfer of the land may be carried out section by section. A construction project to be carried out in stages may, on the basis of the construction schedule, apply for approval to undergo land requisition and transfer procedures section by section.

Article 20. Land needed for emergency rescue or disaster relief operations may be requisitioned first. It is, however, mandatory to file for temporary use of land or undergo land requisition or transfer procedures afterward.

Article 21. Requisition of other land in excess of 2,000 mu, as stipulated in Section 1, Article 25 of the "Land Management Law," refers to land requisitioned for a single project that exceeds 2,000 mu, with less than 1,000 mu of it being arable land while the rest is other land.

Requisition of other land under 10 mu as stipulated in Section 2, Article 25 of the "Land Management Law" refers to land requisitioned for a single project that is under 10 mu, with less than 3 mu of it being arable land while the rest is other land.

Article 22. People's governments at the county level or higher may turn over state-owned land whose land-use rights have been revoked pursuant to the provisions in Article 19 of the "Land Management Law" to the agricultural collective for crop farming. It is not permitted to erect permanent structures or grow perennial crops on the land while it is being used by the collective to grow crops, and it shall be returned when it is needed by the state for construction use. If there are young crops on the land when it is returned, the construction unit shall pay compensation for the young crops.

Article 23. A construction unit that needs, in addition to the requisitioned land, other land on a temporary basis for its construction work shall file an application with the land management departments of the local county government for temporary use of land and submit the application to the people's government at the corresponding level for approval. For temporary use of land in an urban planning zone, a report on the location and size shall first be submitted to the competent administrative department in charge of urban planning and, after examination and approval of the report, an application for temporary use shall be submitted to the land management department.

Compensation shall be paid for temporary requisition of collectively-owned land pursuant to Section 1, Article 33 of the "Land Management Law."

Chapter Five Land for Township (Town) and Village Construction

Article 24. Use of agricultural production land for various township (town) and village construction projects shall be subject to strict control. The limits set by local people's governments at and above the county level for use of land for township (town) and village construction shall not be exceeded.

Article 25. In rural areas, if a village resident wants to use land for housing construction, he shall file a land-use application to the village agricultural collective economic organization or the villagers' committee concerned. The application, after being discussed and endorsed by the villager representative meeting or the villagers' congress, shall be submitted to the people's government for approval. If farmland is to be used, the application shall first be examined by the township-level people's government, then endorsed by the land management department of the county-level people's government, and finally forwarded to the county-level people's government for approval. If the land to be used belongs to the category of housing construction land or is idle land or other kinds of land in the village, the application shall be submitted to the township-level people's government for approval.

Article 26. If a city or town resident with a non-agricultural residence registration wants to use collective-owned land for housing construction, he shall, with the concurrence of his work unit or the residents' committee concerned, file a land-use application to the village agricultural collective economic organization or the villagers' committee or the township (town) peasant collective economic organization where the land is located. If the land to be used is owned collectively by the village peasants, the application shall first be discussed and endorsed by the villager representative meeting or the villagers' congress, then examined and endorsed by the township (town) people's government, and finally submitted to the county-level people's government for approval. If the land to be used is owned collectively by the peasants of a township (town), the application shall be discussed and endorsed by the township (town) peasant collective economic organization, then examined and endorsed by the township (town) people's government, and finally submitted to the county-level people's government for approval.

Article 27. In the case of collectively-owned land required for housing construction by staff members and workers who have come back to their native villages to settle down, by retired servicemembers and retired cadres, or by Overseas Chinese or comrades from Hong Kong, Macao, and Taiwan who have returned home for settlement, Article 38 of the "Land Management Law" and Article 25 of these regulations shall apply.

Article 28. In the case of land required for building country trade fairs under township (town) and village construction programs, Article 40 of the "Land Management Law" shall apply.

Article 29. Rural households doing contract work and households running their own workshops or stores shall use the original housing land for their production undertakings and operations. If they really need additional land, which is owned by the collective, they must have a document of approval issued by the department concerned and submit a land-use application to the village peasant collective economic organizations, the villagers' committee, or the township (town) peasant collective economic organization concerned. The application shall first be discussed and endorsed at a villagers' representative meeting or the township (town) peasant collective economic organization, then examined and endorsed by the township (town) people's government, and finally forwarded to the people's government at and above the county level for approval in line with the authority designated by the province, autonomous region, or municipality concerned.

Chapter Six Legal Responsibilities

Article 30. If, pursuant to the provisions in Article 43 and 44 of the "Land Management Law," a fine is imposed on an offender in addition to the requirement that the land used illegally be returned, and that the new buildings and other facilities on the land be torn down

before a specified date, or confiscated, the fine shall be not more than 15 yuan for each square meter of the illegally used land.

Article 31. If, pursuant to the provisions in Article 47 of the "Land Management Law," a fine is imposed on an offender in addition to the requirement that the illegal gain be confiscated and that the new buildings and other facilities on the land legally transferred by buying and selling or in other ways be torn down before a specified date, or confiscated, the fine shall be not more than 50 percent of the illegal gain.

Article 32. If, pursuant to the provisions in Article 49 of the "Land Management Law," a fine is imposed on the offender in addition to the requirement that the illegally used funds be returned, the fine shall be not more than 30 percent of the illegally used funds.

Article 33. If, pursuant to the provisions in Article 50 of the "Land Management Law," a fine is imposed on the offender in addition to the requirement that the land be returned, the fine shall be not more than five yuan for each square meter of the illegally used land.

Article 34. If, pursuant to the provisions in Article 51 of the "Land Management Law," an offender who has seriously damaged the farming environment is fined in addition to being required to take corrective action before a specified date, the amount of the fine shall be based on the relevant provisions of the Regulations on Protection of Farmland. If an offender who has caused land desertification and salinization through the development of the land is fined in addition to being required to take corrective action before a specified date, the amount of the fine shall be based on amounts set by the provincial, regional, or municipal people's government concerned. If an offender who has caused soil erosion through the development of land is fined in addition to being required to take corrective action before a specified date, the amount of the fine shall be based on the relevant provisions of the Regulations on Water and Soil Conservation.

Article 35. All fines shall be paid within the prescribed period. An additional fine is imposed on delayed payment at the rate of 0.3 percent per day based on the amount of the original fine.

Article 36. Those who have illegally used land for housing construction or other construction purposes without approval, or with approval obtained by leaving farmland uncultivated, or through other deceptive means shall be required to tear down the new buildings and other facilities on the illegally used land, or such buildings and facilities shall be confiscated. They shall also be required to return the illegally used land.

If a punished unit or individual is required to tear down the new buildings and other facilities in accordance with the law, but is found to continue the construction work, the department making the decision on punishment has

the power to seal up the equipment and building materials used for continuing the construction work.

Article 37. Those submitting false or understated reports, refusing to make reports, or repeatedly delaying reports on data for land statistics purposes, or forging or tampering with such data shall be punished in accordance with the provisions in Article 25 of the "Statistics Law of the People's Republic of China" and Article 31 of the "Detailed Regulations for Implementation of the Statistics Law of the People's Republic of China."

Article 38. If the land management department of a local people's government at or above the county level has adopted a decision to deal with a case of infringement upon land ownership or land-use right in accordance with Article 53 of the "Land Management Law," and if the infringing party neither files a lawsuit within the legal time limit nor complies with the decision, then the party whose right has been infringed upon may ask the people's court to enforce the decision.

Chapter Seven Supplementary Provision

Article 39. The State Land Administration Bureau is responsible for interpreting these regulations.

Article 40. These regulations shall take effect on 1 February 1991.

Article on Administrative Structural Reform

HK1801092291 Beijing LIAOWANG in Chinese No 53, 31 Dec 90, pp 10-12

[Article by Xing Zhen (6717 4176): "Take Active and Reliable Measures To Carry Out Administrative Structural Reform"]

[Text] Recently, information revealed by the Structural Reform Office of the State Council indicated that marked results had been achieved in the administrative structural reform of the government in China since 1988, and that in the period of the Eighth Five-Year Plan as an important part of the political structural reform, administrative structural reform will continue to take a positive and reliable step forward.

The Administrative Structural Reform of the Government Has Achieved Results

The structural reform of the State Council in 1988 began the trial of the administrative structural reform in China. Certain results have been achieved in the reform of the setup, the personnel composition, and the functions of the institutions.

After China began to carry out reform and opening up, such problems as the unwieldy structure of the administrative institutions, the overlapping of functions, and the low work efficiency in China's administrative structure were laid bare. Comrade Deng Xiaoping pointed out:

"Our economic management is plagued with such problems as the unwieldy administrative structure, the duplicated tiers, the tedious procedures, and the extremely low efficiency." "If no reform is carried out, our modernization cause and socialist cause will be ruined." For this purpose, the department concerned drafted and formulated a scheme for the administrative structural reform of the State Council in 1988, through careful and intensive investigations and studies, and the scheme was approved by the First Session of the Seventh National People's Congress.

The institutional setup and personnel composition of the State Council constituted the "hardware" of the administrative structure. After the scheme for the structural reform of the State Council was formulated, the State Council arranged the implementation of the reform steps for a period of nine months. The chief executives of various departments in the State Council personally took charge of the formulation of their own schemes for stipulating functions, institutions, and posts. Through repeated discussions and revisions, the premier office and the State Institution Makeup Commission examined and approved the final schemes for fixing the functions, institution setup, and personnel composition of various ministries and state commissions. In 1989, the State Institution Makeup Commission inspected and approved the implementation of the "three fixings" measures in various departments. Now, more than 80 percent of the departments have passed the examination and fulfilled the structural reform.

At present, there are 68 working departments in the State Council, or four fewer than before the reform; there are 55 non-permanent institutions, or 20 fewer than before the reform; and there were 44,800 officials and functionaries at the end of 1989, or over 7,900 fewer than before the reform. The government structure was thus streamlined, and work efficiency was also raised.

This round of structural reform of the State Council was different from previous rounds of similar reform. Apart from the reform of the "hardware," the changes in the functions, as "software" reform, were also taken as a key link in the reform as a whole. Through breaking down the functions of various government departments, certain powers were delegated to subordinate enterprises and institutions in light of the principle of separating governmental administration from enterprise and institution management. Some service functions that need more professional and technical knowhow and expertise were passed to research offices and institutes. Some affairs which should not be handled, or cannot be handled properly, or cannot be handled at all by the government institutions were also shifted to other institutions. This thus strengthened the government's functions in overall management and control. For example, the State Planning Commission after the administrative structural reform strengthened its functions in keeping comprehensive balance and overall control, put forward more realistic opinions on the formulation of the macroeconomic control targets related to the economic

growth rate, the investment scale, the consumption fund, the budgetary deficit, the currency issuance, and the price index and on the financial, credit, foreign exchange, and material distribution arrangements. The commission also strengthened its role in monitoring and forecasting the overall economic tendency.

While the State Council was carrying out the administrative structural reform, pilot projects in the restructuring of local governments were also being advanced intensively. In 1989, the central authorities decided that pilot projects of restructuring local governments be carried out first in Hebei Province, Harbin City, Qingdao City, Wuhan City, Shenzhen City, and other nine counties. Over the past more than one year, administrative structural reforms in these localities have made progress to different degrees, and initial results have been achieved in the streamlining of staffing, changes in functions, and rationalization of relations. According to Harbin City's statistics, the number of functional departments in the city's party committee was reduced from 10 to five; the number of bureau-level institutions under the city government was reduced from 69 to 53; and the number of staff was reduced from 6,167 people to 4,900 people.

Although the structural reform of the State Council and the pilot projects of restructuring some local governments achieved positive results, they just marked the beginning. In the structural reform of the State Council, some departments' external relations have yet to be further rationalized; their work efficiency has yet to be further raised; and the plan for changing their functions have yet to be further implemented. As for the pilot projects of restructuring local governments, it seems that they still need the support of reforms in other aspects, and such problems as the lack of harmony between superiors and subordinates, the overstaffing of some institutions, the improper upgrading of some institutions, and the excessive number of cadres have yet to be resolved through the further deepening of the administrative structural reforms and the further rationalization of administrative management.

Outline of Administrative Structural Reform in the Period of the Eighth Five-Year Plan

According to some officials concerned, in the period of the Eighth Five-Year Plan, in order to meet the needs in socioeconomic development, administrative structural reform will take a crucial step forward in order to strengthen the policymaking function, improve the overall control system, raise the authoritativeness of administrative conduct, adjust the makeup of functions, promote the administrative reform at local levels, and perfect the administrative operational mechanisms. It will include the following measures:

—Continue to rationalize the distribution of functions and the relationship between various institutions. In the next few years, the functions of the comprehensive economic departments and the economic control

departments will be strengthened in light of the principle of combining the planned economy with market regulation. Legislation concerning the comprehensive balance and economic regulation will be strengthened; the government's overall economic control capacity will be strengthened; and the overall control and regulation system and the government's controlling and regulating functions in education, culture, science, technology, public health, and social welfare undertakings will be improved. At the same time, various relationships should be further rationalized and smoothed out in order to harmonize and coordinate relations between various government institutions, between governments at different levels, and between governments on the one side and enterprises, institutions, and various social organizations. The governments should give up the handling of affairs that they should not or cannot manage.

As for the setup of government institutions, they should be properly divided into advisory, consultative, executive, and supervisory branches; the institutional tiers should be arranged properly, and this includes the setup of institutional tiers inside the government at the same level and the setup of institutional tiers from the central government to the local governments at various levels. The setup should be brought into line with the range of management.

—Improve the policymaking system and establishing the scientific procedures for administrative decisionmaking. First, it is necessary to improve the legal procedures for administrative decisionmaking through enacting relevant procedural laws and regulations. This will ensure that major policy decisions will be made on the basis of scientific appraisal, extensive consultation, and democratic discussion. Second, necessary support institutions for policymaking must be set up and improved. Advisory bodies with high intelligence should be gradually established; policy consultative organs outside the government should be gradually improved, and influential experts and scholars with talent and expertise should be included in these consultative organs.

—Perfect the executive system in the administrative structure and strengthen the authoritativeness of administrative conduct. At present, the phenomena of "adopting countermeasures against the policies laid down by the upper authorities" exist in some government institutions which try to act in their own way and defy the upper instructions. Therefore, the manner of exercising leadership in various administrative institutions should be improved. Duties for administrators and functionaries at all levels must be clearly defined. Unified leadership and unified action should be guaranteed in order to prevent policies being distorted in the course of implementation. Scientific principles, procedures, rules for handling affairs should be established in order to prevent buck-passing and red tape and to raise the work efficiency of the executive organs.

—Improve the supervisory system in the administrative structure and strength supervision against various discipline-violating phenomena. First, it is necessary to clearly define of the scope of functions and powers for administrative organs at all levels and formulate the behavior rules for administrative functionaries, thus establishing the administrative order and bringing all administrative conduct into line with laws and regulations. Second, it is necessary establish and perfect the administrative supervisory system, especially the supervisory system for the enforcement of administrative discipline. Rules on administrative penalties should be formulated and enforced. Disciplinary actions should be taken against those who violate discipline through the self-supervision of the administrative organs, the inspection of the supervisory departments, and the masses' complaints. Third, the functions of the supervisory organs should be strengthened, and relations between various supervisory organs, especially between the party discipline inspection department, the administrative supervisory department, and the auditing department, should be properly coordinated so that an effective supervisory system can be established.

—Pursue the civil servant system of the state and improve the quality of government functionaries. For this purpose, it is necessary to reform the existing cadre system, adopt the civil servant system, and build up a contingent of government functionaries with high political and professional quality, a strong sense of responsibility, and a reasonable makeup.

—Improve the law enforcement, supervision, and economic management work of the grass-roots government institutions, and build close relations between the government and the masses of people. These government institutions constitute the largest number of "forefront organs" which come into most frequent and direct contact with the masses. Therefore, it is necessary to make great effort to rectify the work style of the "forefront organs," improve their work methods, and standardize their procedures for handling affairs and administrative conduct.

In short, the administrative structural reform in the period of the Eighth Five-Year Plan will further raise the government's work efficiency and policymaking quality, will raise the government's prestige and ensure the smooth executive of the administrative directives; and at the same time, this reform will also be of great immediate significance in promoting the construction of clean and hardworking government and building closer relations between the party and the masses and between the government and the masses.

Science & Technology

Academy of Sciences Holds Work Conference

Academy President Speaks

OW1501143391 Beijing XINHUA in English
1418 GMT 15 Jan 91

[Text] Beijing, January 15 (XINHUA)—The aim of the Chinese Academy of Sciences (CAS) is to be an open and comprehensive research center for the natural sciences and a base for promoting the development of high-technology in China.

Zhou Guangzhao, president of the CAS, made these remarks at the 1991 work conference of the CAS, which began here today.

Zhou said that in order to meet the needs of China's social and economic development, in this decade and in the next century the Science Academy will use a two prong approach: a committee of science academicians combined with a combination of research and development institutions.

The committee will consult with state policy makers, based on the study of basic national conditions, the trends in scientific and technological development, and strategies related to key problems in the modernization drive.

At the same time, the research and development institutions will form the main body of the CAS and will engage in research into the frontier disciplines, and promote the transformation of research results into products, Zhou said.

Zhou pointed out that the CAS is now faced with three major difficulties: the training and selection of young talent, the lack of funds for research, and reform of the old management system.

"China does not lack outstanding young scientists," Zhou said, "and it is important to create an environment of fair competition and a flexible management system for them."

Meanwhile, he added, the increase of funds available for scientific research depends on the development of the national economy and the social awareness of scientific circles, both of which require an extended period in which to improve.

In addition, some aspects of the old management system, including the so-called "big-pot-meal" and the "department owned personnel system", still exist at the CAS. These old systems will only harm the personnel flow within the CAS.

Therefore, Zhou called on all scientists at the CAS to further their understanding of reform, make every effort to train young scientists, and attract more funds for scientific research.

Despite the challenges and difficulties, Zhou stressed, the CAS is also faced with rare opportunities brought about by the increasing demand for science and technology during the 1990s.

In addition, Zhou said, Hong Kong and Macao will return to China within the decade. This will provide an opportunity for the Science Academy to begin a new stage of international academic exchanges and cooperation.

State Councilor Song Jian also attended today's conference.

More on Speech

HK1801094291 Beijing RENMIN RIBAO in Chinese
16 Jan 91 p 3

[Report by Jiang Hanzhan (5592 3211 4631): "Zhou Guangzhao, President of the Chinese Academy of Sciences, Sets Goals for the 1990's"]

[Text] Beijing, 15 Jan (RENMIN RIBAO)—During a working meeting of the Chinese Academy of Sciences, Director Zhou Guangzhao elaborated on the academy's goals for the 1990's and its new framework to be built up in the next 10 years.

Director Zhou Guangzhao's work report was imbued with a strong sense of responsibility and urgency. Because of the impact of hi-tech development in such fields as automation and new materials, developing countries are constantly losing the superiority that they used to enjoy in terms of supply of labor and natural resources, while the dependence of the hi-tech industries in developed countries on the supply of these resources is decreasing. Such being the case, developing countries must make greater efforts.

Zhou Guangzhao put forth the following goals to be achieved by the Chinese Academy of Sciences in the 1990's:

—In the interests of China's scientific and technological, as well as social and economic development, it is necessary to achieve original and major breakthroughs in basic research which will be recognized by the scientific and technological circles worldwide. We must foster a number of first-rate scientists, explore certain new important areas of research, and thus lay down a solid foundation for development in the next century. Regarding research in applied science, we must conscientiously organize and complete a number of major complex projects which are of strategic importance to the national economy, and strive to produce a number of major scientific and technological achievements which promise high economic returns. Regarding scientific and technological development, we are to establish several hi-tech enterprise groups with a fairly large scale and strong competition power which are capable of developing new technology and new products.

—It is necessary to effect the smooth strategic transition that will allow the younger generation to take over first-line scientific research and help foster a younger generation of scientific and technological personnel full of originality and vitality.

—We are to effect the transition to the new structure and build up an academy of sciences which suits the law of modern scientific and technological, social, and economic development and can meet the needs of the 21st century, and which will serve as an open-type complex research center of natural sciences and a base promoting development of new hi-tech industries.

Zhou Guangzhao said: According to the tentative plan, the future basic framework of the Chinese Academy of Sciences will comprise two parts. The first part will be the academic committee formed by a number of committee members. This academic committee will unite scientists throughout the country, organize macroscopic strategic studies of basic national conditions, the trend of scientific and technological development, the modernization program, and other major issues, and thus provide consultative service and put forth proposals regarding national policy making. The other part is the operational body of the academy, consisting of some high-standard institutions of research and development. This arm of the academy will mainly engage in research into the frontier disciplines and promote the transformation of research results into products.

State Councillor Song Jian attended and addressed today's meeting.

Five-Year Plan Announced

HK1601023691 Beijing CHINA DAILY in English
16 Jan 91 p 1

[By staff reporter Zhou Jie]

[Text] Research on energy, new materials, bio-engineering and information technology are listed as the top priorities by the Chinese Academy of Sciences (CAS) in the current Eighth Five-Year Plan (1991-95), according to the CAS annual conference, which opened in Beijing yesterday.

"A new industrial revolution is coming up in the world, which is symbolized by the fascinating development of new materials, information and biological technology," Zhou Guangzhou, president of the CAS, said as he addressed yesterday's conference.

"Developing countries are quickly losing their past advantages in labour and natural resources when automation and new materials greatly reduce the reliance on such resources in developed countries," he said.

In this "critical decade of opportunity and challenge" as it was termed by Zhou, CAS, the nation's top institute on natural sciences, "should lose no time" in pushing its scientific research and technology innovation to the forefront of the world.

China is facing a series of problems, including an ever-increasing population, farmland shrinkage and energy shortage, he said. "Our only way out lies in economic reform and a rapid development in science and technology."

At the meeting aiming to set plans for the year and principles for the decade, officials said CAS would continue to improve the existing facilities nationwide, while applying new technology for production.

"Engineering technology has been CAS's weak point," Zhou said, adding that in the next 10 years, CAS would set up some engineering research centres to turn scientific results into production.

CAS sources said that the academy would invest 40 million yuan (\$7.7 million) on its 30 most important projects. Two-thirds of the money will go to actual projects and one third to basic research.

Some other projects, such as laser techniques, metallurgy, remote sensing, exploration for mineral deposits, and natural disaster prevention, are also stressed in CAS's programme.

During the Eighth Five-Year Plan, a multi-subject scientific research centre will be set up in Beijing, which will open to domestic and foreign scientists, according to a report delivered at the meeting. CAS officials said the research at the Beijing electron-positron collider would be highlighted at the centre.

At the same time, an ecological monitoring network will be built nationwide to study global ecological changes and the comprehensive exploration of natural resources.

Scientific Achievements Reported

OW1801002891 Beijing XINHUA Domestic Service
in Chinese 1336 GMT 16 Jan 91

[By Chen Jinwu (7115 6855 2976)]

[Text] Beijing, 16 Jan (XINHUA)—The Chinese Academy of Sciences [CAS], usually known as a "national scientific and technological team," while devoting its main strength to national economic construction in the Seventh Five-Year Plan period, also assigned a skilful work force to engage in basic and high-tech research, thus scoring a number of scientific achievements of a fairly high academic level and social and economic benefit.

This reporter has learned the above information at the 1991 annual meeting of the CAS being held here.

Addressing the meeting, CAS Vice President Sun Honglie said: During the Seventh Five-Year Plan, 292 CAS research projects were awarded state prizes, of which 103 projects received the natural science awards, 152 the scientific and technological progress award, and 37 the invention award. There also were a number of other

research projects which were awarded by the CAS, commissions, ministries, and provinces.

He said: More than 7,000 scientists and technicians of the CAS from 94 units participated in scientific and technological research projects during the Seventh Five-Year Plan period, tackling more than 800 special topics in 60 projects. In high-tech research and development, the CAS took part in the research of 15 main topics in all of the seven fields. By relying on its relevant research institutes, the CAS set up the Photoelectric Technology Center, the State Intelligence Computer Center, and the Intelligence Robot Research Institute. The CAS also undertook national defense research projects financed by state funds and also organized its own major research projects.

The CAS also scored achievements in pioneering basic researches. The mathematical mechanization and the verifying theory of Wu Wenjun of the Institute of System Science, the research on high temperature superconductivity by Zhao Zhongxian and others of the Institute of Physics, the research on ultramicrocrystal structure of semi-conductors by Huang Kun of the Institute of Semi-conductors, the research on quasi-crystals by Guo Kexin and Zhang ZE of the Metals Institute, the Hamilton calculation method by Feng Kang of the Computer Center, the particle gene theory of nonlinear optical effects of crystals by Chen Chuangtian of the Fujian Institute of the Structure of Matter, the climatic dynamics and weather forecast theory by Zeng Qingcun of the Institute of Atmospheric Physics, and the dynamics on the unchangeability of enzyme activity by Zou Chenglu of the Institute of Biological Physics have produced a great impact in the country. Recently, Bai Chunli and others of the Institute of Chemistry succeeded in using a tunnel scanning microscope technology to be the first in the world to observe a denatured structure of DNA—a three-chain plaited structure. This is an important discovery by Chinese scientists in understanding the genetic material of DNA, the important force of life.

In the comprehensive development and control projects for the Huanghuaihai Plain, the Loess Plateau, and the Sanjiang Plain, some important scientific research achievements have been made in the research and application of remote sensing technology, including the new technology and development of a growth hormone for the human body, B-type hepatitis vaccine, protoplast reproduction technique, and other biological technology, demonstrating the great potential of high-tech research and the development and application of high-tech in national economic construction.

Telecommunications Satellite Launch Planned

OW0901133491 Beijing BEIJING REVIEW in English
No 1, 7-13 Jan 91 p 30

[Text] The Asia Satellite Telecommunications Co. Ltd. in Hong Kong, which launched the Asia No.1 comsat in April 1990, is now planning to launch the Asia No.2

comsat. At present, the feasibility and marketing research report on the new satellite has been finished.

The Asia Satellite Telecommunications Co. Ltd. was established by the Hutchison Whampoa Ltd. of Hong Kong, the Cable and Wireless PIC of Britain and the China Interantional Trust and Investment Corp. The corporation's administrative President Xue Dong noted that currently there is greater demand for the capacity of the man-made satellite in Asian areas than that when the Asia No.1 comsat was first designed. With the readjustment of Asian countries' government policies, he said, they are more willing to open their telecommunications business to private investment. Asia's telecommunications industries are expected to follow the path of advanced European and American countries in order to bring about a rapid growth.

The Asia No.2 comsat, like the previous one, will use C frequency channel as telecommunication transmitter. However the capability of the new satellite is greater than that of the Asia No.1 comsat, as its communication area moves lightly to the Western part of Asia and extends to East European regions. If bidding is invited in the third quarter of 1991, it is highly likely that the new satellite will be launched in 1994.

Since the Asia No.1 comsat was launched, its 24 relay transmitters have either been leased out or used by clients of the Asia Satellite Telecommunication Co. Ltd. Presently, 15 relay transmitters are being leased by Hong Kong, Myanmar, Pakistan and Mongolian People's Republic.

Jakarta Talks on Satellite Launch Planned

OW1401123291 Tokyo KYODO in English 1121 GMT 14 Jan 91

[Text] Jakarta, Jan. 14 KYODO—Chinese officials will hold talks here next week to hammer out details for launching an Indonesian satellite next year, the head of Indonesia's state-owned telecommunications company said Monday.

Indonesia's "Palapa-4" satellite was originally scheduled to go into orbit in 1994 but the date was moved up due to growing demand in the country for satellite services, Cacuk Sudarjanto said.

Sudarjanto said Indonesia chose the Chinese "Long March" rocket for the launch based on its good performance record and favorable payment terms offered by the Chinese.

The Beijing Government asked for 17 million dollars to handle the launch during President Suharto's visit to China on November 15, according to Economic, Financial and Industrial Affairs Minister Radius Prawiro.

The Chinese outbid Hughes Aircraft and the National Aeronautics and Space Administration (NASA) of the United States, which jointly handled Indonesia's two previous satellite launches, he added.

Song Jian Article on Technological Industries

HK1801100191 Beijing GUANGMING RIBAO in Chinese 27 Dec 90 pp 1, 4

[Article by Song Jian (1345 0256): "Industries Employing New, High Technologies Must Be Oriented to the World"]

[Text] Editor's note: Since October, this newspaper has opened a special column carrying a series of reports on the hi-tech industrial development zones in various localities. Today, this newspaper carries an article by State Councillor and Chairman of the State Scientific Commission, Comrade Song Jian, as the conclusion of the series of reports. [end editor's note]

GUANGMING RIBAO recently carried a series of reports on hi-tech industrial development zones in our country which aroused a good response. These reports greatly enhanced an understanding of this new endeavor among various circles in society, drawing their support in promoting the development of new- and hi-tech industries in our country. I wish to express my gratitude here. In the following paragraphs, I wish to express some of my ideas on the development of new- and hi-tech industries in our country.

I Industrialize and Commercialize Our Country's New and High Technologies

After New China was founded, the senior generation of revolutionaries in our country decided, in a very wise and decisive manner, that manpower, money, and resources would be concentrated for a certain period of time to develop our country's most advanced branches of science and technology. Under the command of the senior generation of revolutionaries such as Mao Zedong, Zhou Enlai, and Marshals Chen Yi and Nie Rongzhen, and under very difficult conditions, we spent only two decades but scored great results. We grasped atomic power technology and moved near to world standards in almost all spheres related to that technology. We built our own astronautics industry, designing and manufacturing our own rockets, missiles, and satellites. We built our own aeronautics and ship-building industries and manufactured our own aircraft, ships, and submarines. Not long ago, we used a Long March 3 carrier rocket to successfully launch an American satellite. In the area of modern hi-tech equipment, we built the Beijing Electron Collider; in the area of high-temperature superconductivity, we are as good as the United States and Japan. Last year, we installed the Far East's first astronomic telescope, with an aperture of 2.16 m, and we are using it. We have also built a heavy ion accelerator and other large scientific and technological equipment. In the area of agricultural science, our cross-bred paddy rice and the newly cultivated varieties have taken the lead in the world. To conclude, in the four decades since we founded our nation, particularly in the last 10 years, our country has made great achievements in the high technology domain and many aspects have reached world advanced standard.

However, we must admit that as far as industrial science and technology as a whole is concerned, we still have a major shortcoming to tackle. That is, in the new and high technology domain, the ability to develop products and to carry out batch production is rather weak, as is the ability to introduce the products to market. This is a major weakness we now face. We can do many things in the hi-tech domain but we cannot enter the market. Of course, there are some things we do not know how to do.

At present, we are formulating the country's medium- and long-term program of scientific and technological development. Many comrades put forward the hi-tech items which have great significance in upgrading our country's strength; they said that in the 1990's, strength must be concentrated and determination must be shown in organizing efforts to make breakthroughs. At the same time, we must actively develop our new- and hi-tech industries, using new and high technologies to transform and strengthen our traditional industries and to improve systems design ability and commercialized production capacity. This is also a very important strategic duty confronting us. In addition, during the past 10 years we have imported tens of thousands of pieces of equipment, technologies, and various automatic production lines. It is time for serious digestion, absorption, and redevelopment.

An overall review of the economic development trend in the world during the past several decades, showed that hi-tech industries were of great significance to a country's economic prosperity, progress in social life, or even development of modern civilization. When the past is reflected on, our country's laboring people have been diligent and courageous, working harder than the people in the industrially developed countries. However, our per capita productivity has been only one-tenth or even one-twentieth of other people's. We made great efforts but scored little results. We can see the following: Handicraft and traditional natural economic production produced an annual per capita output value of several thousand yuan; traditional industry, several tens of thousand yuan (10 times more than the output value of traditional handicraft); new- and hi-tech industries, hundreds of thousands of yuan. Therefore, only by actively developing new- and hi-tech industries can we greatly improve social productivity and enable China to gradually become rich and reach the level of a moderately developed nation. During different historical periods, different generations of people faced different duties and each generation should make contributions matching its era in its historical period. To attain the strategic goal of again doubling our country's GNP by the end of this century and of reaching the level of a moderately developed nation by the middle of the next century, it is necessary to rely on scientific and technological development. Especially on the development and popularization of new and high technologies, to use new and high technologies to strengthen traditional industries, and to greatly increase social productivity. Other than this, there is no outlet. This means that scientific and technological circles have a heavier burden and a more arduous

duty, which is of great significance. Judged from the historical angle, in the past four decades, China has made great achievements in scientific and technological work, but that was only a small and short prelude to a long drama, not the climax. The work in the future will be greater and more arduous.

In order to attain the long-term goal, in 1986, the CPC Central Committee decided to go ahead with a hi-tech development project (Project 863), which aimed to monitor and develop new and high technologies. The Torch Plan in 1988 and the new- and hi-tech industrial development zones currently being built, are for guiding the establishment and development of our country's new- and hi-tech industries.

II Integration of Plan With Market Mechanism

The "integration of planned economy and market regulation" is a correct principle for building socialist economy with Chinese characteristics. In undertakings developing new- and hi-tech industries, this principle must be observed. The positive and negative experiences from the past 40 years, and especially the experiences in the recent 10 years, all remind us that we must fully arouse and develop enthusiasm among the masses of people to develop socialist commodity economy on the one hand and strengthen macroeconomic control on the other. The former relies on market regulation, the latter on the state's plan for implementation. In the process of developing new- and hi-tech industries, we must encourage and support research and higher learning institutes to integrate with large and medium enterprises, to carry out development and batch production of new- and hi-tech industries, and to work hard to explore domestic markets. The new- and hi-tech products which are badly needed in large quantities in the market should be promptly shifted to large and medium enterprises. Beijing University has successfully carried out research on Chinese character laser typesetting system and introduced it on the market. This is a model case. The standard of the product is very high and it is welcomed in printing circles. It has now spread to every Chinese-speaking country and district in the world. Why should such an opportunity be abandoned? In research work, we should struggle for our own place in publishing articles. In market competition, we should not yield. Each year, Shanghai Silicate Institute has to provide the world's research departments, such as the European Atomic Energy Center, with a large quantity of products of BGO metaboric acid barium crystal for use in particle detecting and other purposes. This improves the status of our country's scientific and technological work in the world and earns remuneration. Why not do this kind of good thing? This kind of thing, which brings glory to the country and honor to scientific and technological circles and which is beneficial, to the country, is too rare an occurrence.

The experiences and lessons we learned during the 10 years of reform and opening up indicate that when some items are released, their supplies in the market become

abundant. On the other hand, the lessons are profound. If macroeconomic regulation and control is not effective, or if control is lost and an over-heated economy appears, there will be a crisis. Just as Comrade Jiang Zemin said: We should seriously sum up the experiences and lessons in the 10 years of reform and opening up and, in the 1990's, really create a system integrating the planned economy and market regulation which is suited to China's practical situation and has Chinese characteristics. Of course, this is a duty in our scientific and technological undertakings, including the development of hi-tech industries, and it is necessary to carry out continuous exploration and research in the course of practice. However, one point is certain and that is, neither the plan nor the market cannot be ignored. We should develop the overall superiority of planning on the one hand and the guiding function of market regulation on the other. This is of basic significance in promoting a faster and healthier development of the industrialization and commercialization of our country's new- and hi-tech industries.

III New- and Hi-Tech Industries Should Follow the Road of Internationalization

The trend of development in world high technology in the past several decades indicates that, the development of new- and hi-tech industries should face both the domestic and international markets. It is not enough for some high technologies to only rely on the domestic market; they must face the big international market. A country's or society's ability to absorb high technologies is related to its development level. In a small district, or a developing country, regardless of its geographical and population conditions, it is difficult for it to completely provide the objective conditions for bringing about a prosperous development of a certain hi-tech industry. To conclude, without exploring the international market there will not be sufficiently strong support for the new- and hi-tech industries. The development of new- and hi-tech industries should follow the road of internationalization. In 1984, we launched our first communications satellite, which brought about a prosperous development of the technology of television ground reception stations; several years later, several tens of research institutes and colleges learned how to produce these reception stations. At present, the domestic market is near saturation and we should provide services to other developing countries, otherwise this undertaking will be affected. In the area of high technology, based on Western values, if you do not know how to do it, you must spend a lot of money buying it from other people. Now that we have made it, and the domestic market has come close to saturation, we should therefore shift to the international market and this is the important meaning of market mechanism. We have many technologies and products which are good, cheap, and badly needed by the peoples in developing countries. We should organize ourselves to serve the peoples in the developing countries and, in particular, serve the Southeast Asian market. The prices of our new- and hi-tech products are

very competitive and cheap and therefore have broad prospects for development in the international market. This is beneficial to the peoples in the developing countries and also a great encouragement to us, too.

At present, judged from the international standard of statistics, each year, among the products exported by our country, new- and hi-tech products account for a very small proportion. We must be determined to change this situation and enable our country's new- and hi-tech products to enter the international market as soon as possible. To be able to do this, it is necessary to create a favorable environment and conditions for training a great number of personnel who can enter the international market. Our country's resources for training personnel for new- and hi-tech industries are quite adequate, the current task is to bring this potential into full play. According to statistics provided by Shanghai in 1989, in colleges, research institutes, and factories, one-third of staff did not have enough work to do and could not fully develop their functions. The CPC Central Committee and the State Council has repeatedly stressed that the reform and opening up policy will remain unchanged. They continue to encourage diversification of personnel, demanding that various localities take earnest measures to encourage those personnel who do not have enough work to do to leave their scientific research institutes and colleges to take part in the development of hi-tech industries in the country; to walk toward the world; to learn knowledge from the international arena; and to fight. What makes people happy is that along with the implementation of the Torch Plan, and the establishment of the hi-tech industrial development zones, more and more scientific and technological personnel have understood the historical mission they have to carry out and have courageously joined the ranks developing hi-tech industries and making eye-catching achievements.

Our scientific and technological contingent is capable and trustworthy. So long as a good environment and good conditions can be created, we can develop our own new- and hi-tech industries and enable them to have a place in the world's high technologies. If we can say that the past 10 years was a decade in which our country's new- and hi-tech industries began to be established, then we can believe that the next 10 years will be a decade in which our country's new- and hi-tech industries will further develop and move toward commercialization and internationalization.

'Roundup' on Astronautics Industry Technology

HK160112391 Beijing ZHONGGUO XINWEN SHE
in Chinese 0322 GMT 12 Jan 91

["Roundup" by staff reporter Zhu Daqiang (2612 1129 1730): "China Speeds Up Development of Astronautics Technology"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 12 Jan (ZHONGGUO XINWEN SHE)—After rapidly developing astronautics technology, China

is currently conducting research on a new [xinxing 2450 0992], powerful [da tui li 1129 2236 0500] carrier rocket [yunzai huojian 6663 6528 3499 4628] and spacecraft, as well as strengthening research on a method of traveling to and from space, in anticipation of the era of manned space flights in China.

According to information, in China, research and experiments on manned space flights is a fixed goal. But how are they going about it? Is it a space station, spacecraft, or space shuttle that should be developed? This has not yet been decided in China's "863" hi-tech development program.

However, China has been quietly conducting research and experiments on manned space flights for a long time.

As early as the 1960's, as a means to survey the near-earth environment and to carry out scientific experiments, China successfully launched a rocket carrying a puppy into space, and carried out biological experiments.

In 1968, China officially established a research institute specifically for an astronautics medicine project, and this symbolized the beginning of research on the training of astronauts in China. Hence, research on the key, space-life technologies for astronauts began, and scored good results. In the area of astronautics medicine, China has basically acquired the conditions for sending men into space.

A recent achievement in the research on manned space flights was the launching of a retrievable scientific experiment satellite on 5 October 1990; after eight days, it landed smoothly back on earth. This satellite carried out 67 research projects concerning space-life science and space material sciences. It accomplished an experiment on carrying larger animals for the first time; the data picked up in the biological experiment cabin provided valuable information for the research on a life-protective system for China's manned space flights.

Since 1975, China has successfully retrieved satellites 12 times; the success rate is 100 percent, rare in the world. This indicates that China's satellite retrieving technology is mature and reliable.

China's Space Technology Research Institute recently disclosed that China already has a basic concept for a future space station, which will resemble a "cross" constituted by two round poles, and it will be generated by 12 large solar cells. The Shanghai New China Machinery Factory, which is affiliated to the Ministry of Aeronautics and Astronautics Industry, is deliberating on the idea of manufacturing a large delivery vehicle [yunzai gongju 6663 6528 1562 0367] of a new generation, a large and effective space cowling [kongjian zhengliuzhao 4500 7035 2419 3177 4996], and a space shuttle.

However, objectively speaking, China's current research on manned space flights is only preliminary.

China's astronautics experts think that in light of the fierce competition among the major space powers, China should formulate its own space strategy and development project, to ensure its place in international space circles in the 1990's and the 21st century.

A thorough review of astronautics development in China during the past two decades showed that China has used five kinds of domestically produced carrier rockets to launch 30 Chinese and foreign satellites. China has not only broken through the launching technology, but also grasped satellite retrieving technology and technology for anchoring satellites in space; it can launch near-earth orbit satellites, sun-synchronous orbit satellites, and earth-static satellites.

What is worth mentioning is that on 7 April 1990, China successfully launched the "Asiasat 1" satellite, creating good prospects for China's astronautics industry to enter the international market.

At present, China's astronautics technology is moving from the experimental stage to the application stage. China is stepping up efforts to manufacture large and long-lasting communication satellites, broadcasting satellites, new static meteorological satellites, and multi-purpose resource satellites. China's satellite technology is becoming mature, and the development of manned space flights is inevitable, judged from the trend.

Similarly, China's rocket technology provides feasibility and opportunity for developing manned space flights.

The oxyhydrogen engine of China's "Long March 3" rocket could be restarted under a vacuum, and in weightless conditions in space, and this enabled the most crucial technology of carrier rockets in China to reach the most advanced world standards. At present, the delivery capacity of China's rocket for earth-synchronous orbit has reached 1,400 kg.

In order to maintain the trend of development of astronautics in China, the country is stepping up efforts to manufacture "Long March 1D" and "Long March 3A" rockets. The launching of the powerful "Long March 2E" rocket has been successful. By 1992, China will have a delivery capacity of between 300 kg to 8,000 kg for the near-earth orbit, of between 1,400 kg to 2,500 kg for the synchronous orbit, meeting the needs of launching satellites of various types, as well as technologically preparing for launching spacecraft of more than 4,000 kg into the synchronous orbit.

Manned space flights are an inevitable stage in astronautics undertakings in China, and the country has already laid the foundation for manned space flights. It can be predicted that through the ceaseless efforts of China's astronautics technology workers, the era in which Chinese will be flying in their own spacecraft and developing outer space, is not too far off.

Jointly Produced Planes Make Maiden Flights

*OW1101202791 Beijing XINHUA in English
1556 GMT 11 Jan 91*

[Text] Nanchang, January 11 (XINHUA)—A new model jet trainer made a successful maiden flight over Nanchang, capital of east China's Jiangxi Province, today.

The K-8 plane was developed by the Nanchang Aircraft Manufacturing Company and the Pakistan aeronautical complex over a period of three years. This is the first plane China has manufactured together with a foreign country.

Meanwhile, an improved A-5M jet fighter, co-produced by the company and Italy, and another new type of plane specially for agricultural use, also made their first flights here today.

The Nanchang Aircraft Manufacturing Company is China's leading military aviation industry factory. It made China's first airplane.

Wu Mingwang, general manager of the company, told XINHUA that in the past ten years his company has made great efforts for the development of economic and technical co-operation with foreign aerospace companies.

Military

Yang Baibing Attends Two Support Meeting

*HK1601051191 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 10 Jan 91*

[Excerpts] A national work meeting on supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs, and supporting the government and cherishing the people [two supports], jointly sponsored by the Ministry of Civil Affairs and the People's Liberation Army (PLA) General Political Department, was solemnly opened in Fuzhou today. The meeting's task is: Taking the party's basic line as a guiding principle, efforts must be made to conscientiously implement the spirit of the 13th CPC Central Committee's Seventh Plenary Session with an aim of strengthening unity between the Army and government, and between the Army and people to promote our country's stability and development. On the basis of such a main theme, efforts will be made to analyze the situation of two support work, sum up and exchange experiences, and forward the basic tasks of two support work in the future in the interest of creating more model cities and counties of two support to push the work of double support to a new level. The meeting will also announce a number of model cities and counties of two support named by the Ministry of Civil Affairs and the PLA General Political Department.

The CPC Central Committee, the State Council, and the Central Military Commission attach importance to the meeting. Comrade Deng Xiaoping personally wrote inscriptions for model cities and counties of two support.

Central leading comrades Jiang Zemin, Yang Shangkun, Li Peng, and others showed concern for the meeting. Yang Baibing, member of the CPC Central Committee Secretariat, secretary general of the Central Military Commission, and director of the PLA General Political Department; and Chen Junsheng, state councillor, attended the meeting.

Cui Naifu, minister of civil affairs, addressed the meeting's opening session. He said: Supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs, and supporting the government and cherishing the people, and unity between the Army and people is a glorious tradition and political strong point developed by our party, Army, and people during the long revolutionary struggles. Such a glorious tradition and political strong point have been tested by revolutionary war, economic construction, reform, and opening up. They have an important influence on our country's social stability, economic development, national defense buildup, and national progress. [passage omitted]

He continued: The 13th CPC Central Committee's Seventh Plenary Session pointed out that the last 10 years of this century is a crucial period in the historical process of China's modernization drive. The fulfillment of the second stage's strategic objectives concerns the peaceful and lengthy reign of the state, the well-being and happiness of the people, and the consolidation and development of the socialist system. We need a stable internal environment and a good international situation to achieve such magnificent objective. This requires the joint efforts unity of millions of people, unity, and hard struggle. We must soberly realize our historical mission, and understand the special significance of doing two support work well from a strategic high plane, and make efforts to push two support work to a new level to make new contributions to the stability and development of our country.

At the meeting, Jia Qinglin, acting governor of Fujian, and Gu Hui, deputy commander of Jinan Military Region, delivered their welcoming speeches. Fujian Province and PLA units stationed in the province, and others introduced their experiences.

Zhou Wenyan, deputy director of the PLA General Political Department, presided over the meeting's opening session. [passage omitted]

More on Meeting

*OW1701151791 Beijing XINHUA Domestic Service
in Chinese 1315 GMT 15 Jan 91*

[Text] Fuzhou, 15 Jan (XINHUA)—Yang Baibing, member of the Secretariat of the CPC Central Committee, secretary general of the Central Military Commission, and director of the General Political Department, addressed today's national meeting on "two support" [support the soldiers and give preferential

treatment to their family members, support the government, and cherish the people], stressing the need to closely follow the general requirement for "sharing life, destiny, and feelings with one another" and open a new horizon in unity among the Army, government, and people.

Yang Baibing said: The strong Army-government-people unity developed under the CPC's leadership is an important political guarantee for prolonged peace and stability in our nation and for prosperity of our socialist cause. It is a fundamental conclusion drawn from the practice of revolution and construction over the years. The Seventh Plenary Session of the 13th CPC Central Committee defined the goal of struggle for China's economic and social development for the next 10 years and during the "Eighth Five-Year Plan" period. To accomplish this historical mission during the last decade of this century, we also need the important political guarantee provided by Army-government-people unity. The activities to support the Army, give preferential treatment to their family members, support the government and cherish the people, as well as the efforts to strengthen Army-government-people unity are a fine tradition of our Army and an important political advantage for us. We should fully realize the tremendous political significance of successfully carrying out "two support" activities; understand the strategic importance of fostering closer ties between the Army and civilians; protect the close unity among the Army, government, and people as we would protect our eyes; and demonstrate a strong unity among the Army, government, and people to serve an important political guarantee for accomplishing socialist modernization.

Yang Baibing said: During his visits to various places in the past year or so, Comrade Jiang Zemin has repeatedly stressed that the people of all nationalities throughout the country should "share life, destiny, and feelings with one another." These eight words fully show the essential characteristics of the grand unity among the people of all nationalities throughout the country, and vividly depict the relationship between the Army and people, who share a common destiny and are inseparable from each other. This has set a higher demand for us in strengthening Army-government-people unity. We should regard these eight words as the general requirements for successfully carrying out "two support" activities under the new situation; persist in upholding the principle of unanimity between the Army, government, and people; and further develop the fine situation of Army-government-people unity. The Army and the civilian sector should "share life, destiny, and feelings with each other." The new historical conditions have presented us with this objective requirement for strengthening Army-government-people unity. It should be noted that we will add new vigor to the close Army-government-people relationship as we implement the new tasks specified in the 10-year program and the "Eighth Five-Year Plan"; further deepen reform and open wider to the outside world; and develop a new environment for a planned

socialist commodity economy. In the process, we will encounter new situations and problems that need to be studied and solved. The requirement for the Army and the civilian sector to "share life, destiny, and feelings with each other" is highly relevant to fostering closer ties between the two parties, and has far-reaching significance as a guiding principle.

Yang Baibing said: To meet the general requirement of "sharing life, destiny, and feelings with one another" for developing a closer relationship between the Army and the civilian sector:

1. We must strengthen the cohesion between the Army, government, and people on a common political foundation.
2. We must follow the principle of "unity-coordination-unity."
3. We must pay attention to promoting Army-people unity by fostering closer ties between the Army and the government.
4. We must persist in carrying out activities that help to maintain relative stability and are highly appealing.
5. We must fully develop the role of civil affairs departments at all levels as organizers and coordinators, and the role of departments under the provincial military districts as bonds and bridges.

He said: The "two support" activities have been jointly carried out by the hundreds and millions of soldiers and people. They constitute a social project to which the Army and civilian sector have contributed their share and from which they are enjoying the benefits. A lot of things can be done in this respect. Based on what we have achieved so far, we should continue our studies and explorations, sum up new experiences, open new horizons, and carry out the "two support" activities more successfully.

Yang Baibing put forth specific requirements for the Army. He said: To live up to the concern and expectations of the party and the people, the most fundamental thing the Army should do is to unswervingly uphold the goal of wholeheartedly serving the people and build up a good image of "cherishing, emulating, and serving the people."

He said: Our Army is a new-type people's army, which comes from the people and takes root among the people. During the period of socialist construction, as in the war years, the people have always been the support that makes our Army invincible. Each of our victories and achievements is the crystallization of the people's tremendous devotion. All cadres and fighters of the whole Army will always bear in mind the people's support and love for the Army.

Yang Baibing urged the Army to consciously "cherish, emulate, and serve the people" at all times and under all circumstances. To be specific, they should do the following things:

1. The more the party and the people place their trust in the Army, the more the Army should let the party and the people rest assured, and be the faithful defenders of the people's interests.
2. The more the local governments and the people cherish the Army, the more the Army should remain modest, and respect the government and the people.
3. The more the local governments and the people show concern and support for Army building, the more the Army should appreciate the difficulties of the state and the people, and try to overcome the Army's own difficulties through its own efforts as much as possible.
4. The more the local governments and the people support the Army, the more the Army should observe discipline and the laws, and present the image of a civilized army.

In conclusion Yang Baibing said: "When the Army and people are united as one, who in the world can match them?" By relying on the powerful unity between the Army and the people, we have overcome countless difficulties and hardships, and scored one victory after another. To reach the phase-two strategic goal for accomplishing modernization, we still need to rely on the impregnable unity between the Army and people. We believe that this meeting will certainly enable us to carry forward the fine tradition of maintaining unanimity between the Army, government, and people. This fine tradition has been developed by our party, Army, and the people of our country in the prolonged struggle, and was cultivated by Mao Zedong, together with Deng Xiaoping and other revolutionaries of the older generation. The large numbers of soldiers and people will be mobilized to unite as one; closely rally around the party Central Committee with Comrade Jiang Zemin at its core; share life, destiny, and feelings with one another; work with one heart and one mind; and make common efforts to accomplish the great tasks laid down by the Seventh Plenary Session of the 13th CPC Central Committee, and promote the grand cause of building socialism with Chinese characteristics.

Missile-Launch Success Rate Noted

HK1601063591 Beijing JIEFANGJUN BAO in Chinese
28 Dec 90 p 1

[Report by Guo Qingsheng (6753 1987 3932): "Our Army's Strategic Missile Unit Improves Combat Capability, Its Missile Launching Success Rate Is 100 Percent"]

[Text] The missile-launching success rate of our Army's strategic missile units has leaped to new heights. It was

disclosed by a relevant department of the Second Artillery Corps in mid-December that over the past four years, the launching success rate of various kinds of missiles has stood at 100 percent while the shooting accuracy reached an all-time high.

Over the years, strategic missile units have persisted in putting military training in a strategic place, and succeeded in carrying through the training in terms of personnel, time, content, and quality. In accordance with the characteristics of complicated missile-launching technologies, all units have carried out basic technical training in a down-to-earth manner, and cultivated a sure, accurate, strict, and meticulous style of manipulation. Through academic education and practical training, a battalion of military commanders with fairly high standard, a contingent of technical backbones who can have the final say on key technical matters, and an army of well-trained and proficient soldiers and officers have been built up, thus laying a foundation for managing perfectly safe and reliable missile launchings.

The launching units have also carried out adaptability training under various climatic and topographical conditions such as severe cold, sweltering heat, excessive rain, dark nights, hilly areas, and jungles so the troops can be ready to move, cooperate, assemble, and shoot accurately under all kinds of complicated circumstances and possess an "all-weather" launching capability.

Militiamen Take Part in Water Conservancy Work

HK1601045991 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 10 Jan 91

[Text] Since the beginning of winter, more than 210,000 people's militiamen of various nationalities have been struggling hard in the construction sites of water conservancy works located in the southern and northern parts of Tian Shan. In early October last year, Xijiang Regional Military District issued a special circular, calling on various military subdistricts and People's Armed Forces departments to grasp the work of organizing people's militiamen to take part in water conservancy works as a matter of primary importance for stabilizing Xinjiang and developing its agricultural economy. Mobilization work was carried out at all levels. On such basis, people's militiamen of various nationalities vie with one another to take part in the project to fully display their talents. By the end of last December, the broad masses of people's militiamen had dug or repaired about 4,800 km of irrigation ditches, and built or repaired more than 5,700 sluices, installed 151 water pumps, and levelled 670,000 mu of land. They have made contributions to the bumper harvest this year.

Economic & Agricultural

BEIJING REVIEW Article on 1990 Economy

OW1701165691 Beijing BEIJING REVIEW in English
No 2, 14-20 Jan 91 pp 11-16

[By Zhang Zhongji, director of the Comprehensive Department of the State Statistical Bureau: "Review of China's Economy on 1990"]

[Text] In 1990, the State Council adopted a series of measures to readjust the economic retrenchment, revitalize the market and stimulate production, which helped ease some contradictions restricting the development of production and circulation and ensured the continuous healthy growth of the national economy.

Progress

Aggregate Supply and Demand Drawing to a Balance, Growth of Price Declined. The imbalance between overall demand and overall supply has been a prominent problem for years which affected China's overall economic development. Owing to excessive investment and consumption, there was an overheated economy in 1988 in which the difference rate between overall supply and overall demand hit 16.2 percent. With the introduction of the retrenchment policy in 1989, the rate dropped to 8 percent that very year. Balance was expected to be achieved in the nation's overall supply and demand in 1990. Although the state and various localities raised the prices of some commodities in 1990, owing to the decrease of prices on urban and rural market fairs and the weakening of factors causing spontaneous price rises, in the first ten months of 1990, China's total retail prices of commodities rose only 2.1 percent on the same period of 1989, and the figure for the whole year was expected to be 3 percent, which is evidently lower than the 17.8 percent increase in 1989. The rise of the prices of the means of production also dropped gradually. According to the statistics of the Material Information Centre, compared with the same period of 1989, the prices of 15 categories of the means of production rose 7.5 percent in the first quarter and 0.6 percent in the second quarter and dropped 0.1 percent in the third quarter. The gap between the market and state planned prices of coal, rolled steel, copper, aluminium and cement significantly narrowed. Planned readjustment has replaced demand pulling as the principal reason for price rises.

Agriculture Reaped All-Round Good Harvests, Grain Output Hit an All-Time High. In 1990, the state raised the purchasing price of some agricultural products, which has raised the farmers' enthusiasm for production. In the year, the input in agriculture increased and effective measures were introduced to improve farmland irrigation systems and boost farm production through applying the results of scientific and technological research. Thanks to all these factors and the good weather in most parts of China, the country's total grain output topped 420 billion kg in 1990, an increase of 12.5 billion kg on the record year of 1989; the output of cotton hit 4.15 million tons, up 350,000 tons on 1989; oil-bearing crops 15 million tons, up 2 million tons; and sugar-bearing crops 64 million tons (or even higher), up 5.2 million tons. The output of pork, beef, mutton, poultry, egg, aquatics, vegetable and fruit all increased to different degrees. It was estimated the country's total agricultural output value in 1990 would rise more than 5 percent on the year before. A good agricultural harvest has helped to enliven the market, develop the light industry and improve the people's living standards.

Industrial Production Passed the Low Ebb and Began to Pick Up Steadily. With the growth of social demand and the support of bank loans, China's industrial production began to pick up month by month following the low-speed growth in early 1990. Compared with the same period of 1989, the country's total industrial output value rose 2.1 percent in the first six months, 2.9 percent in July, 4.6 percent in August, 7.5 percent in September, 12.7 percent in October and 15 percent in November. The planned target of a 6 percent increase in the total industrial output value for 1990 is expected to be fulfilled.

The Sluggish Domestic Market Resurrected. In 1990, the social demand increased gradually. In the first ten months, the investment in fixed assets made by units owned by the whole people totalled 165.3 billion yuan, up 8.2 percent on the same period of 1989, and the total wages of workers and staff amounted to 246.5 billion yuan, up 11.5 percent. With the growth of social demand, the once sluggish domestic market began to resurrect. In June, the country's total volume of retail sales rose 1.4 percent on the same period of 1989. After June, the growth rate increased month by month, rising to 10.3 percent in October. The rural market began to take a favourable turn after the autumn harvest. In October, the retail sales of consumer goods dealt by commercial departments at and under the county level rose 4.2 percent on the same period of 1989, and the retail sales of the means of agricultural production increased 4.6 percent, changing the situation of a negative growth in the previous few months. The total value of retail sales for 1990 is expected to top 830 billion yuan, an increase of more than 2 percent on the previous year.

Surplus Replaced Deficit in the Import and Export Trade. In 1990, the various localities took advantage of the changes in the foreign exchange rate and the relatively sufficient supply of good for export to greatly expand their export business and attained gratifying results. According to the statistics of the customs, in the first 11 months of 1990, the country exported U.S.\$53 billion worth of goods, up 16.2 percent on the same period of 1989. The country's imports during these months totalled U.S.\$45.9 billion, a drop of 12.2 percent. After deducting the aid given gratis by China and the value of goods such as those processed with imported materials and equipment imported by foreign investors which were not paid in foreign exchange, the country's export value outstripped its import value by U.S.\$10.6 billion, thus changing the situation in which the country suffered foreign trade deficit for consecutive years. Simultaneously, with the stabilization of China's political situation and social order and the success of the 11th Asian Games held in Beijing, international tourism gradually revived in the country, bringing in more foreign exchange. Currently, the country's foreign exchange reserves have increased considerably.

Structural Readjustment Began This is manifest in the following areas:

- The imbalance in the development of agriculture and industry has been changed. The ratio of the growth rate of agriculture and industry changed from 1:5.3 in 1988 to 1:2.7 in 1989. It is expected to drop to 1:1.2 in 1990.
- Strain on the supply of coal, electricity and oil has been eased. The ratio of the growth of energy and industry dropped from 1:4.2 in 1988 to 1:1.4 in 1989, and the good trend in this area is expected to be maintained in 1990.
- The investment structure has been improved. The growth of investment in basic industries and infrastructures has outstripped that of the nation's total investment.
- The composition of import and export commodities has been improved. In 1990, the import of machinery, electronic appliances, cigarette, wine, beverage, cosmetics and other consumer goods whose import was restricted by the state dropped one-third from 1989, while the export of cotton, cotton yarn, metallic ore and other raw materials which were of critical shortage in China and whose export was restricted by the state dropped more than 10 percent.
- Township enterprises have advanced amidst readjustment. In recent years, buffeted by decreased loan supply and a sluggish domestic market, rural township enterprises have actively adapted themselves to these changes and expedited the development of an export-oriented economy. Township enterprises in Jiangsu and Zhejiang Provinces where the rural industry is concentrated have bricked up again after the recession for a time.

Economic Order Was Initially Straightened Out. Up to now, after readjustment, the various localities and departments have dissolved and merged 103,000 companies which made up 34.5 percent of the nation's total number of companies. Of these, companies in the circulation area made up more than 50 percent. A number of law- and discipline-breaking cases have been handled and the offenders involved punished. At present, the number of units and people engaged in illegal management has decreased, and a new circulation order is taking shape.

The above facts indicate that the main trend of China's economic development in 1990 was healthy and the endeavours for straightening out the economic environment and order were successful. Of course, we should soberly be aware that the basis for the above changes is weak and the achievements should not be overestimated.

Problems

China's economy began to pick up in 1990. Plagued by high input and low returns, however, have made it hard to steer the economy back on the track of favourable growth in the near future. The economic situation ahead looks still grim, and the task for economic rectification

and readjustment and for the indepth development of the reform remains quite arduous.

The State's Finance Still in Difficulty. Over a long period of time, China's finance has had to carry two heavy burdens: price subsidies and subsidies for losing enterprises. The two subsidies amount to 100 billion yuan annually. Such a big expenditure, plus new factors reducing revenue and increasing expenditure, deteriorated China's financial situation in 1990. This was demonstrated by the facts that, first, enterprises' economic returns continued to drop, the portion of profits and taxes they delivered to the state went down, and their deficits increased by a big margin. Second, allocations for debt repayment shot up; by the end of 1989, China's internal debts reached 80 billion yuan and external debts U.S. \$41.3 billion. China is now in the peak period of debt repayment. In 1990, China cleared 20 billion yuan of its internal and external debts and interests, 2.7 times as much as 1989's 7.26 billion yuan. In the coming few years, the continued increase in allocations for debt repayment will make it even more difficult for China to balance its finance.

Money Supply Still Exceeds What the Economic Development Needs. Although not much money was issued in the first 11 months of 1990, the net increase of loans came to 248.6 billion yuan, or 102.7 billion yuan more than in the same period of 1989. To top it all, quite a big portion of these loans was converted into cash and bank savings. Therefore, the supply of money in the broader sense of the words, that is, cash plus various bank savings minus financial reserves, represented a 24.5 percent increase from the same period in 1989, much more than what the economic development needed in normal operation. So, should we try to bring about an economic rehabilitation simply by issuing credit and loans, the most likely result would be inflation. At present, the major apparatus we use to control money supply is to call back part of the credits issued. By the end of November 1990, the bank savings of urban and rural residents throughout the country had totalled 693.2 billion yuan or an increase of 178.5 billion yuan from the beginning of the year. This, plus the cash in their pockets, constitutes a potential purchasing power of close to 900 billion yuan.

Economic Returns from Enterprises Drop Continuously. In the first 11 months of 1990, the budgeted state-owned enterprises turned out 115.3 billion yuan in profits and taxes, down 18.8 percent from the same period in 1989. The deficits of losing enterprises multiplied. By the end of November 1990, the funds used for end products came to 118.2 billion yuan. This, plus the mutually entangled debts among enterprises, has caused a large sum of circulating funds to deposit in end products. The economic returns of commercial outlets also dropped considerably. The profits by state-owned commercial outlets were two-thirds less than for the same period in 1989. The poor performance of enterprises was caused, first by their internal troubles, such as poor management, poor quality of products, and some managers'

poor adaptability to market changes; second, by external troubles such as a lack of binding economic contracts, which often affects normal production; administrative interference, the compartmentalization of the market; and the various increased levies that siphon away much of the enterprises' profits.

The Reform Drags Its Feet. In the transit from the old to a new system, the economic reform is now confronted with "two difficult choices" before it goes one step forward. For example, the best possible arrangement of resources is an important way to restructure the economy and raise efficiency. This, however, requires, first, the best possible arrangement of the increased supply of resources and, second, the rearrangement of the inventories of resources. Both would be quite difficult, partly because an increase in resources will require investments, which is almost impossible at present when the state is in financial difficulty and enterprises perform poorly, and partly because the rearrangement of the inventories of resources means the close-down, suspension, merge and switch to other product lines of some enterprises. This would prove to be extremely difficult, if not impossible, because at present when the social security system has much to be desired, an increased unemployment rate may affect social stability. The price reform is crucial for reforms in all fields. The distorted price system and the coexistence of two prices for the same products deprive economic accounting of an objective criterion and make it impossible for enterprises to compete on an equal footing. However, to straighten out the prices may lead to price hikes that jump over residents' financial capacity. Another example is the sharing of financial revenues between the central government and localities. If the central government's unduly low share remains unchanged, it will have a tough going financially, finding it difficult to make both ends meet. However, if the central government has a bigger share, the enthusiasm of localities and enterprises may be dampened. Confronted with these "two difficult choices," the central government tends to stress short-term stability, consequently slowing down the pace of reform.

Prospects

A comprehensive study of the operation of the national economy suggests that different macro-economic policy decisions may create different prospects.

The first possible policy decision is to stress the organic combination of short-term economic returns with long-term economic returns with an eye to setting the economy on the right track. It will seek for not only a proper growth of the economy but also a gradual rationalization of the economic system and the operation mechanism. Not only will the "symptoms" but, more importantly, the "root causes" of the economic problems have to be tackled. Efforts should be made to take advantage of the present favourable opportunity to carry out what is considered necessary reforms, and do a good job in co-ordinating the relations between economic

readjustment, economic reform and economic development, that is, to promote economic readjustment with economic reform and to seek for economic development in the process of economic readjustment. This policy decision will prove to be very difficult and even risky, because reform is, in essence, to readjust the structure of interests among different quarters and will inevitably meet with intended or unintended boycotts from those with vested interests. Therefore, careful work will have to be done in this aspect.

The second policy choice is to stress short-term stability and keep the economy going in "ailing" conditions. It may stress control of the overall supply and demand and ignore solutions to deep-rooted problems, that is, to cure only the "symptoms" rather than treat the problem at its roots, or keep the economy on the beaten road of high input and low output. This choice is less risky and may cause the economy to rebound during a period of time. However, such problems as the bad economic structure and low efficiency associated with the irrational economic system and mechanism of economic operation may become more conspicuous, and the main goals set for the economic rectification and readjustment may be left unfulfilled, making it difficult to develop the economy in the future.

The third choice is to stress a rapid rebound of the economy and pursue high output value. This policy choice stands for an overall relaxation in macro-control and an injection of "excitant" into the economy. This policy decision may create a superficial prosperity in the near future. But, under the present unbalanced economic system, it may also create another rise in demand, consequently nullifying what was achieved in the economic rectification and readjustment.

Weighing the pros and cons of the three choices, it is obvious that prospects to be created by the first choice is desirable. For their realization, the following work should be done.

—Readjusting the structure of interest. Whether the economic rectification and the deepening of the reform is aimed at controlling the demand, readjusting the economic structure or increasing the central government's ability for macro-regulation, it is necessary to readjust the present structure of interest. Of course, the readjustment of the structure of interest must be done to such an extent that it will not destabilize the general situation.

—Readjusting the economic structure. The sustained, stable and co-ordinated growth of the economy is determined by whether the economy is well structured and well proportioned. During the past economic rectification and readjustment, excessive demand has been forced down, and the excessively high growth rate of the industry declined, creating a favourable condition for readjusting the economic structure.

In readjusting the economic structure, the first and foremost consideration is to energetically strengthen

agriculture. As the saying goes, "Without agriculture, society would not be stable; without food grain, riot would occur." China, with 1.1 billion mouths to feed, can only rely on itself for supply of food grains and other farm and sideline products. Whether the agricultural situation is good or not is crucial for the situation as a whole. The development of all non-agricultural sectors is determined by the amount of surplus products agriculture can afford to supply. Therefore, to develop the economy as a whole, it is necessary, first of all, to develop agriculture.

To restructure the economy, it is also necessary to expand the production of energy and raw materials and increase the ability of shipment. It is necessary, in line with industrial policies, to readjust the structure of investment, to further cut down on investment in run-of-the-mill projects and to increase investment in basic economic sectors, especially in agriculture, coal, petroleum, power and railway construction.

In improving economic structures, energetic efforts should also be made to make full use of and rationalize the distribution of production factors in order to enhance economic returns.

—Economic rectification and readjustment should be combined with a deepening of reform. While continuing to rectify and readjust the economy, efforts should be made to speed up the reform step by step. The reform policies should be continuous and stable, and former reform measures should not be negated indiscreetly. In addition, attention should be paid to the negative effects of the reform, which should be remedied by probing new measures or by improving the measures in effect. Reform experiments should be continued. While summing up the experiences gained in the reform, it is necessary to formulate medium and long-term development programmes, specifying the focus of reform and pertinent measures for each period so as to carry out the reform smoothly. The reform should be deepened in such a way that it will benefit the readjustment of the economic structure, the improvement of the macro-economic returns, the rationalization of the relations between the state, collective and individuals in distribution of economic returns. Technical progress should be made an important goal of the reform. Such an economic environment and mechanism should be established that give full play to the enthusiasm of enterprises for technical progress, and favourable policies should be adopted for technology- and knowledge-intensive enterprises so as to steer China's economy away from high accumulation but low efficiency, high input but low output. While continuing to invigorate the micro-economy, stress should be put on strengthening and improving the macro-economic management, concentrating the country's financial strength, foreign exchange earnings and materials to a proper extent, and raising the central government's ability to control the overall supply.

Since China began reform and opening to the outside world, changes have taken place in its economic system and economic operation mechanism, as seen in the following facts: the coexistence of different ownerships and management forms with the public ownership at the dominant position; the obvious expansion of the scope and role of the market; the formation of a pluralistic pattern of economic interests; the expansion of decision-making powers of localities and enterprises; and the initial establishment of a stratified economic management. All these changes require the state to establish a macro-regulatory system and improve it, to act in accordance with economic laws in the process of deliberating economic plans and regulating the economy, to conscientiously adhere to and apply the law of value, to comprehensively use economic, legal and administrative means for economic management, and to make effective and scientific macro-economic policy decisions timely. All these are aimed at promoting the economy to develop in a sustained, steady and coordinated manner.

Developing Agriculture by Deepening Reform

HK1801093591 Beijing JINGJI CANKAO in Chinese
25 Dec 90 p 4

[Speech by Chen Jiyuan (7115 0679 0337) from Institute of Rural Development under Chinese Academy of Social Sciences: "The Key to Agricultural Development Lies in Deepened Reform"]

[Text] Abstract: Agriculture is the foundation of the national economy. The agricultural situation directly affects and even controls the overall development of the national economy. In the past, one of the important reasons for fluctuation in economic development was unstable agricultural development, particularly problems arising from grain production. Deepening reform is the key to sustained, stable development in agriculture. [end abstract]

Agricultural Production Is Showing Signs of Improvement, but the Agricultural Situation Is Still Grim

After fluctuations for four to five years in a row, China's production of major agricultural products has started to show a turn for the better since 1989. In the first place, a breakthrough has been made in the situation of stagnant grain production. Apart from a substantial increase in grain output this year, the main cash crops, such as cotton, edible oils, and sugar, have also yielded all-around bumper harvests. This is an important result achieved in implementing the policy of improvement and rectification in the national economy and attaching importance to and supporting agriculture throughout the country since the latter half of 1988. In addition, it has also provided the necessary material conditions for smoothly carrying out continued economic improvement and rectification of the national economy and economic reform in the future.

However, we must guard against blind optimism about the agricultural situation in our country. Although grain production in 1989 reached and surpassed that in 1984, 52 percent of this was due to the expanded area cultivated with grain crops. Therefore, increased grain production was achieved at the cost of reducing the production of major cash crops, such as cotton, edible oils, and sugar. In addition, owing to the fact that grain production in 1989 only exceeded that in 1984 by 240,000 tonnes and that the population from 1984 to 1989 increased by 73.15 million, our country's per capita amount of grain for 1989 was lower than that for 1984 by 51 jin.

This year, our country has got an all-around bumper harvest in agriculture, but the per capita amount of grain is only 741 jin, still 43 jin lower than that of 784 jin in 1984. Viewed from the overall situation, the grain shortage situation of our country has not been completely changed. Besides, the output of major cash crops, such as cotton, edible oils, and sugar cannot fully satisfy the ever-increasing domestic demand either and, like grain, they still have to be imported from abroad.

In observing the agricultural situation, we should mainly base ourselves on the production condition of major agricultural products, such as grain, cotton, and edible oils, and particularly the grain output. A few years ago, some comrades prattled about the agricultural situation without taking grain, cotton, and edible oils into consideration, saying that "the situation of grain, cotton and edible oils is not good, but the agricultural situation is very good," and "the agricultural situation is not good, but the rural situation is very good." These views of the agricultural situation attend to trifles to the neglect of essentials. Even though the development momentum of diversifying operations, such as forestry, animal husbandry, sideline occupation, and fishery has not been so bad and the rural non-agricultural industries have achieved very great development since 1985, we can, by no means, overlook the serious problems existing in the production of grain, cotton, and edible oils. We should not feel complacent about our ability to still maintain a rather high or even very high speed of agricultural growth, including diversifying operations, and of rural economic growth, including non-agricultural industries, and still less turn a blind eye to the serious difficulties in the production of grain, cotton, and edible oils.

Naturally, it is not sufficient, either, to base our judgment of the agricultural situation only from the production conditions of major agricultural products in one or two years. It is also necessary to observe the agricultural situation from deeper levels, which include the condition of infrastructure for agricultural production facilities, the capability to resist disasters, the capability and standard of developing natural resources, agricultural ecological environment, macroeconomic environment of agricultural production, the pricing and circulation structures of agricultural products, production and supply conditions of means of agricultural production, internal operational mechanism of agriculture and its

effect, and individual peasants' initiative for production as restrained and influenced by the internal and external conditions of agriculture. Viewed from the above-mentioned aspects, our country's agricultural situation at the present stage is still grim.

Persisting in Implementing the Guiding Principle of Taking Agriculture as the Foundation of the National Economy

Of the 1.1 billion of our country's population, nearly 900 million are in rural areas. This is the most important national situation. At present, our country's agricultural labor force accounts for over 70 percent of the total social labor force. The net agricultural output value accounts for over 32 percent of the national income; the output value of light industrial production with agricultural and sideline products as raw materials accounts for 70 percent of the total output value of the whole light industry; the total rural retail sales of commodities accounts for about 60 percent of the total retail sales; and the export volume of agricultural and sideline products and processed goods accounts for over 40 percent of the total export volume. Agriculture is the foundation of the national economy. The agricultural situation directly affects and even controls the overall development of the national economy. In the past, one of the important reasons for fluctuations in economic development was the unstable agricultural development, particularly problems arising from grain production.

Agriculture is the foundation of the national economy and it is necessary to arrange national economic plan in the order of agriculture, light industry, and heavy industry. We have talked about this for several decades. However, it is not such an easy thing to persistently implement the guiding principle of taking agriculture as the foundation of the national economy, particularly when agricultural development is comparatively smooth or has achieved distinct results. This has been proven by numerous facts in the past. The economic history since the founding of the PRC indicates the existence of such a recurring phenomenon, that is, once the agricultural situation takes a turn for the better, we tend to overlook agriculture and seem to have forgotten that agriculture is the foundation of the national economy; when problems arise in agriculture and undersupply of agricultural products becomes the main factor restraining the overall development of the national economy, we again bring up the importance of agriculture. Summing up the problems in this aspect, particularly the lessons learnt after the bumper agricultural harvests in 1958 and 1984, is very necessary to realizing a complete change in the development strategy of our country's national economy and guaranteeing the sustained, stable development of agriculture and the national economy.

Deepening Reform Is the Key to Guaranteeing the Sustained and Stable Development of Agriculture

In the future, to promote agriculture to a new level, it is all absolutely necessary to increase agricultural input,

develop construction of basic facilities in irrigation and water conservancy, rely on science and technology to vitalize agriculture, increase the supply of means of agricultural production, and organize the comprehensive development of agriculture. However, upholding and deepening rural reform is still the key to guaranteeing the sustained and stable development of agriculture in our country in the future. Here I would like to express my opinion on several important issues. *First, we should stabilize and perfect the contracted responsibility system based on the household with remuneration linked to output.* At the present stage, the practice of taking household as the basic unit of agricultural production and operation is still imbued with vitality. However, with the development of practice, the contracted responsibility system based on the household with remuneration linked to output has begun to reveal certain aspects of incompatibility with the development of productive force. These are mainly reflected in insufficient attention paid to increasing the strength of collective economy and bringing into play the service function of unified production and operation. In the future, we should, while continuing to maintain household as a basic operating unit in agricultural production, adopt measures in various aspects to increase the strength of collective economy and bring into fuller play functions in "unifying" aspect, of which establishing and perfecting the system of social service in rural areas are of particularly important significance.

Scale operation, which is related to improvement of the household contract system, has been talked about quite a lot in recent years. In my opinion, viewed from a long-term basis, scale operation is the direction of agricultural development. However, the practice of scale operation is subject to various conditions. Chiefly among them are: The ability of non-agricultural industries to provide employment opportunities for surplus agricultural surplus labor force; supply of necessary agricultural machinery and other material and technological conditions; the cultural and technological qualities and management abilities of the peasants to master scale operation; and a change in peasants' concept of attaching themselves to land. At present, viewed from most localities across the country, the above-mentioned conditions are far from being mature. Therefore, scale operation in agriculture should be promoted in line with local conditions. We should not practice rigid uniformity, still less should scale operation be taken as a criterion for judging whether or not the socialist orientation is adhered to.

Second, we should continue to uphold the guiding principle of maintaining various forms of ownership with the public ownership as the main body. Diversified forms of ownership suits the condition of extremely uneven development in our country's rural productive forces.

In the course of diversifying forms of ownership, we should always guarantee the leading position of public ownership. We need to accurately grasp the connotation of taking public ownership as the main body. In my

opinion, there are two essential points in question: First, the main position of public ownership refers to the country as a whole or the whole situation. The proportion of public ownership may vary in different localities or trades. Second, the main position of public ownership should be viewed not only in terms of its proportion, but also from whether or not the economy under public ownership controls the lifelines of the national economy. Provided that the economy under public ownership controls leading sectors of the national economy, the socialist orientation of economic development will be guaranteed.

Third, we should continue to deepen the reform in agricultural products pricing and circulation structures. In recent years, the rise in the prices of agricultural products has not been able to keep up with that in the prices of industrial products and, in particular, means of agricultural production. After narrowing for some time after 1979, the price scissors between industrial and agricultural products has once again widened. This condition has seriously dampened peasants' enthusiasm in engage in agricultural production and, in particular, to grow grain. Therefore, in the future, we should, through price reform, straighten out the price relations between industrial and agricultural products and, at the same time, the internal price relations between agricultural products at the same time; this is one of the macroeconomic conditions necessary for sustained, stable development in agricultural production and, in particular, grain production in the future.

At present, difficulty to sell grain and certain agricultural products appears in some localities. An important reason is the failure of the circulation structure to suit production. Through reform, we should, while bringing into play the function of state-operated commerce and supply and marketing cooperatives as the main channels, give free rein to the function of various circulation channels, such as the individual and private economy. Recently, the relevant departments once again made clear the need to continue to stabilize the policy of transporting goods for sale. With regard to commodities on which price controls have been relaxed, people should be allowed to transport them over long-distances for sales and wholesale through numerous channels. We should continue to develop country markets and specialized markets. At present, a number of non-governmental grain firms operated under the shareholding system have appeared in some localities to help peasants in the sales of large quantities of surplus grain. They have played a positive role in resolving difficulties in grain sales.

Fourth, we should gradually realize the transfer of surplus agricultural labor force and enhance the level of urbanization. In our country, the development of township and town enterprises and the transfer of surplus agricultural labor force are two sides of a problem. In the past 10 years, with the development of township and town enterprises, a large amount of surplus agricultural labor force in our country has shifted from agriculture to

non-agricultural industries, stimulating the enhancement of overall efficiency in rural economy and opening up a path of developing nonagricultural industries by substituting capital with labor.

However, since the implementation of the guiding principle of economic improvement and rectification in 1988, some peasants entering cities have once again returned to the villages; some peasants working in township and town enterprises have once again returned to the villages to engage in agriculture. This is a measure that has to be taken after we encounter temporary difficulties in the national economy. We should not, as a result, waver or even discard the guiding principle of

transferring surplus agricultural labor force to nonagricultural sectors and enhancing the level of urbanization. We should not adopt a pragmatic attitude and attribute stagnation and fluctuation in agricultural production brought about by errors in agricultural products, pricing policies, and agricultural investment policies to the transfer of surplus agricultural labor force to nonagricultural sectors. Since the founding of the PRC 40 years ago, the ratio between industrial and agricultural output values has changed from 3:7 in the early post-liberation days to 7:3, and the ratio between urban and rural population still has remained at 2:8 on the whole. These two proportional relations are very incompatible. In the future, gradually resolving the contradictions between advanced industrialization and backward urbanization is necessary for the socialist modernization drive.

East Region

Passenger Carrying Explosive on Train Arrested

HK1601132491 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 16 Jan 91

[Text] According to a service correspondent's report, Fuzhou Railway police rapidly uncovered a case of a planned explosion, thus avoiding a tragedy.

On the evening of 11 January, when the 45th Beijing-Fuzhou passenger train drew into Yingtan Railway Station, a policeman on duty discovered a dubious person. A subsequent search proved that the fellow was carrying with him an explosive device consisting of six tubes of explosives, four detonators, and six fuses. Based on his own confession, his accomplice with the same set of explosives had already boarded the train.

As soon as the Fuzhou Railway Public Security Section got the circular on the case, it made arrangements for Shaowu, Laizhou and Nanping Railway Stations to earnestly screen and halt the man.

Around 0100 [local time] the next morning, the train arrived in Shaowu. Scores of cadres and policemen from the police substation there rapidly boarded the train. In less than 15 minutes, they found the said accomplice carrying a triangular file, quartz sand and a suicide note.

It was learned that one of them is called (Lu Waichun), a retired worker of Jiangxi's Yujiang Fishery Farm; and the other is called (Chen Jinshan,) a peasant from Jiangsu's Xinghua County. The two had earlier been robbed of a sum of 11,000 yuan in cash derived from cigarette-peddling in Fujian's Changle. They headed for Changle in a revenge attempt.

Fujian Acting Governor Comments on Economic Plan

HK1801065191 Hong Kong TA KUNG PAO in Chinese
16 Jan 91 p 2

["Newsletter" by special correspondent Yang Hsiao-yang (2799 1420 3152): "Acting Fujian Governor Jia Qinglin on Economic Plan for This Year"]

[Text] Fuzhou, 15 Jan (TA KUNG PAO)—As soon as the new year dawned, Jia Qinglin, the deputy secretary of the Fujian Provincial CPC Committee who had just been appointed acting governor, briefed this reporter in an interview on his overall evaluation of the work in Fujian Province over the past year. He said: In 1990, Fujian Province continued to implement the principle of economic improvement and rectification, in-depth reform, and further opening up; strictly concentrated its attention on economic construction; kept up its efforts in building the two civilizations simultaneously; and thus made smooth progress on all fronts. Fujian's economic and social development plan was implemented pretty well and the province made steady progress in the political, economic, and social fields.

Good Results Have Been Scored in Economic Improvement and Rectification Operation

Jia Qinglin also said: In 1990, Fujian Province basically fulfilled the tasks of curtailing excessive social demand, cooling down the overheated economy, and inhibiting inflation. At the same time, the province managed to maintain moderate economic growth and scored marked results in the economic improvement and rectification operation. Achievements are reflected in the following aspects:

- The scale of investment was brought under control and the investment structure was improved.
- The operation to screening and straightening up companies was basically completed and order was improved in the field of commodity circulation.
- Urban and rural markets were brisk, and the commodity prices were stable with a slight decline.
- Financial revenue and expenditure were basically balanced and the financial situation was improved.

Jia Qinglin then cheerfully told this reporter that Fujian's economy was developing in a relatively stable and coordinated way. Calculated in constant prices, the province's contribution to the GNP last year increased by 5.2 percent over the previous year; its revenue increased by 4.2 percent; and its gross industrial and agricultural output value increased by 7.1 percent.

Although Fujian suffered a series of major natural disasters last year, total grain output still reached 8.8 million metric tons, roughly equal to the grain output of the previous year, which was a record high. The output of industrial crops also increased. Township and town enterprises continued to develop and their gross output value reached 23.8 billion yuan, an increase of 19 percent over the previous year. Of this gross output value, exports accounted for 2.4 billion yuan, an increase of 31 percent. Industrial production also picked up month after month and negative growth was eradicated. The year's gross industrial output value increased by eight percent over the previous year. Enterprises run with foreign capital, overseas Chinese capital, and with both Chinese and foreign capital, continued to develop pretty rapidly and their output value, which increased by 43.7 percent over the previous year, now accounts for 21.7 percent of the total industrial output value.

Great Progress Was Made in Foreign Economic Relations and Trade

Reviewing last year's work regarding foreign economic relations and trade, Jia Qinglin said: Fujian made great progress in promoting foreign economic relations and trade. Last year's foreign trade volume totaled more than \$3 billion, including an export volume of \$2.2 billion. The province fulfilled the task assigned by the state 110 days ahead of schedule.

He told this reporter: In 1990, Fujian took further steps toward the utilization of foreign capital, especially Taiwan capital. A total of 1044 new projects were

approved to be run in the province using foreign funds, an increase of 19.7 percent over the previous year; these projects involved \$1,173 million of foreign funds, an increase of 29.9 percent; and the amount of foreign funds actually invested totals \$390 million, an increase of 18.5 percent. Of these projects run with foreign funds, over 90 percent are production projects. Last year, a total of 553 enterprises run with foreign capital, overseas Chinese capital, and with both Chinese and foreign capital, were inaugurated in the province. The export volume of these enterprises and others of the same category in the province totaled \$792 million, an increase of 72.2 percent over the previous year.

Fujian's tourist industry enjoyed pretty rapid growth. The province entertained 680,000 tourists last year, bringing in foreign exchange earning of 440 million Yuan.

Jia Qinglin went on to brief this reporter on Fujian province's performance in fulfilling the Seventh Five-Year Plan.

Targets Set in Seventh Five-Year Plan Were Basically Fulfilled

He said: Fujian did a good job in implementing the Seventh Five-Year Plan and fulfilled or overfulfilled most economic targets. Over the past five years, the province's GNP has increased by an average 8.6 percent, national income increased by 9.3 percent, and its gross industrial and agricultural output value increased by 15.5 percent annually. Grain output hit an all-time high. Output growth targets for such industrial crops as flue-cured tobacco, fruit, aquatic products, pork, beef, and mutton were fulfilled two to three years ahead of schedule. During the Seventh Five-Year Plan, the province completed a series of key projects, including: Two thermal power plants, built in Fuzhou and Zhangzhou respectively; five hydropower plants built in Shaxikou, Shuikou, and other places; the coal mines in Longyan, Yongding, and Yongan; and the Fujian power transmission and transformer project. Meanwhile, a few other key projects were built, including the Yingtian-Xiamen railway electrification project, the Tianhushan railway feeder line project, the Xiamen Gaoji Strait Bridge, and the Fuzhou coal transport pier. Communications, transportation, postal, and telecommunications facilities have also been remarkably improved. The urban market was stable, commodities were in ample supply, and the total volume of retail sales grew at an average annual rate of 16.5 percent.

Jia Qinglin pointed out: During the Seventh Five-Year Plan, Fujian's export volume was 2.5 times as much as the quota set by the plan. The amount of foreign funds actually invested in the province totaled \$1,672 million, 4.7 times as much as the figure recorded during the Sixth Five-Year Plan. The export-oriented economy has flourished in Fujian and, in this regard, a multi-level economic structure open to the outside world in all directions has taken shape, with various special policies and

flexible measures applied to the Xiamen Special Economic Zone, the Fuzhou Economic and Technological Development Zone, the open city of Fuzhou, the coastal open areas, and the whole province.

This Year's Targets and Tasks

Acting Governor Jia Qinglin believed that the smooth completion of the Seventh Five-Year Plan had laid down a solid foundation for all-round implementation of the Eighth Five-Year Plan. He said: This is the first year of the Eighth Five-Year Plan and how well we perform this year will have an important bearing on implementation of the Eighth Five-Year Plan and even the 10-Year Program. In 1991, Fujian will continue to vigorously develop an export-oriented economy and make every effort to bring the economic operation onto the track toward improved economic returns. In the meanwhile, the province will try to straighten out the basic economic relations, promote technological progress, invigorate and explore the market, and ensure normal economic operations and moderate economic growth....

Talking about the major tasks and targets for this year's economic development, Jia Qinglin said: We will do our best to fulfill our targets, namely, to achieve seven percent growth in GNP, eight percent growth in gross industrial output value, four and a half percent growth in the gross agricultural output value, and 10 percent growth in export value.

Concluding the interview, Jia Qinglin specially touched on the questions of absorbing foreign funds and developing an export-oriented economy. He said: We will make greater efforts to make use of foreign funds this year, with the stress placed on absorbing direct investments. In a planned way, we will encourage foreign investments in basic industries, infrastructure, developmental agriculture, and hi-tech development and production projects; we will make use of foreign businessmen's technology, information, and overseas marketing networks to develop a greater number of marketable products, to explore overseas markets, and to launch potential export-oriented projects. We must seize the present favorable opportunity and take the initiative in promoting economic exchange and cooperation with Taiwan, keep up our good work in attracting more Taiwan capital and absorbing funds and technology from abroad through various channels. At the same time, we must strive to attract large multinational consortiums and famous companies to make investments in Fujian Province. To sum up, we will make greater efforts to bring about a new situation in which investors from Hong Kong, Macao, and Taiwan, overseas Chinese investors, and foreign businessmen, will jointly run a series of investment projects as well as supporting services.

Fujian Welcomes Outside Help To Promote Economy

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[Text] Fuzhou, January 16 (XINHUA)—South China's Fujian Province is planning to open its doors wider to outside investors to promote its export-oriented economy and bring about all-round economic progress over the next few years.

At a working conference of the provincial government earlier this month, Acting Governor Jia Qinglin listed several major tasks for the provincial government to fulfill this year, which include:

- enhancing the position of agriculture as the economic foundation and deepening all kinds of reforms in the rural areas to ensure a steady growth in this sector.
- restructuring the local economy and invigorating state-run enterprises, and boosting the energy, transportation, communications and raw materials industries.
- expanding exports with the focus on improving the quality and variety of export commodities and limiting import items to major equipment and advanced technology.
- carrying out more investment projects overseas in forms such as labor and engineering contracts, and attracting more foreign funds.
- promoting economic co-operation and trade with Taiwan and expanding the existing exchanges between the two sides in the automobile industry in particular.

Jia said that the provincial government will stick to its policy of opening to the outside world and welcome investors to set up various forms of enterprises.

Jiang Chunyun on Invigorating Large Enterprises

SK1701095291 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 16 Jan 91

[Excerpts] On the morning of 16 January, Jiang Chunyun, secretary of the provincial party committee, convened a forum in Yantai City with the participation of responsible persons of 11 large and medium-sized enterprises of Yantai City. At the forum, he expressed important opinions on how to implement the guidelines of the Seventh Plenum of the 13th CPC Central Committee, how to invigorate large and medium-sized enterprises, and how to promote economic development and social stability.

Jiang Chunyun pointed out: At the moment, it is very important, extremely essential, and of great economic and political significance to invigorate large and medium-sized enterprises. Large and medium-sized enterprises are the backbone of industry and the national economy as a whole, are major source of financial revenues, and the basic strength of maintaining political stability. Recently, central leading comrades have repeatedly stressed the necessity of paying extremely close attention to invigorating large and medium-sized

enterprises. Our leaders at all levels should have a full understanding of it, and actually strengthen leadership over and give support to such enterprises in an effort to invigorate and successfully run them.

Jiang Chunyun said: It is completely possible to invigorate large and medium-sized enterprises, and we have the means to do so. We should have confidence of it. Large and medium-sized enterprises have been provided with relatively good workshops, equipment, and technologies; are devoted to producing major products essential to the national economy and the people's livelihood; are provided with a contingent of workers and staff members with good expertise and a contingent of cadres with high expertise, strong ability, and rich experience; and have many advantages in economic information and economic contact systems. So long as our party committees and governments at all levels strengthen leadership over such enterprises and such enterprises themselves make great efforts, it is completely possible for us to invigorate and successfully run large and medium-sized enterprises, including those enterprises which have relatively more difficulties and are climbing up the economic slides.

On how to successfully run large and medium-sized enterprises, Jiang Chunyun pointed out: First of all, we should maintain a fine spiritual state, have the courage of pressing forward in the face of difficulties, seize opportunity, and overcome difficulties. Such acts and feelings as taking a passive attitude, being afraid of difficulties, taking a wait-and-see attitude, and being in a state of inertia are not to be tolerated.

Second, we should continue to deepen the internal reform of enterprises, establish and perfect a whole set of development mechanisms which are effective in practice. For instance, we should have an operational mechanism which can make a flexible reaction to market and social demand so that we may readjust product structure in a timely and positive manner, constantly renew products, and increase new varieties and designs. We should have a marketing mechanism which can make our products edge into the domestic and world markets as quickly as possible so that we may strengthen marketing forces and expand market channels. We should have a managerial mechanism which can constantly improve the quality of products and cut consumption so that we may effectively tap our internal potential. We should have a mechanism of distribution which can fully arouse the initiative of workers and staff members so that we may overcome the equalitarianism in distribution, the practice of eating from a common pot, and the instance of unfair distribution. We should have a spiritual encouragement mechanism under which workers and staff members take their factories' success as an honor and their factories' decline as a shame. We should constantly strengthen ideological and political work. We should also have a training mechanism which can constantly improve the political, professional, and technological quality of workers and staff members. We should make large and medium-sized enterprises full of vitality and

vigor through establishing fine mechanisms of production, operation, management, and distribution.

Jiang Chunyun called on party and government leaders at all levels, and pertinent departments, economic departments in particular, to make every effort to create fine external conditions for the development of large and medium-sized enterprises.

1. We should firmly foster the idea of serving enterprises, should not only manage them but also serve them, should make management contained in service, and should solve problems for enterprises.

2. We should streamline administrative procedures and delegate powers to enterprises. The powers which should be delegated to enterprises must be delegated so as to ensure that enterprises can manage themselves independently, assume sole responsibility for their profits or losses, and develop and restrict themselves.

3. We should give, if necessary, special support to large and medium-sized enterprises in supply of funds and technologies.

4. We should positively guide and promote enterprises to readjust structure, improve level and grade, and increase efficiency. In the leadership structure of enterprises, we should establish a mechanism of combining encouragement, spur, and restriction. Those which do a good job should be encouraged, those which do a poor job should be criticized, and those which have problems should reveal their problems and a time limit should be given them to solve their problems. [passage omitted]

Also attending the forum were Zhang Quanjin, Standing Committee member of the provincial party committee and secretary of the provincial Discipline Inspection Commission; and Chen Jianguo, secretary of the Yantai City Party Committee.

Shandong Capital Opening Up to Outside World

OW1401145391 Beijing XINHUA in English
1332 GMT 14 Jan 91

[Text] Jinan, January 14 (XINHUA)—Jinan, capital city of north China's Shandong Province, has been accelerating its opening to the outside world since early 1990.

In February last year the State Council, China's highest governing body, approved including the city in the newly designed Coastal Open Zone.

For years, Jinan lagged behind other cities such as Qingdao and Yantai in Eastern Shandong in attracting foreign investment and businesses.

In 1990 the total export volume of Jinan reached 1.13 billion yuan, a record increase of 21 percent, or 197 million yuan more than in the previous year.

The city also signed 84 contracts for foreign-funded projects involving 6.02 million U.S. dollars last year. About half of the investment has already been put into

use, a local government official told XINHUA. The government also approved the establishment of 50 foreign-funded enterprises, 15 more than in 1989.

In a bid to attract more overseas investors, the city has been making great efforts to improve infrastructure facilities such as water and electricity supply, communications and the airport.

The city government has also drafted new regulations to simplify the application process for setting up foreign-funded ventures and to protect the legal interests of investors. A special company has been set up to supply materials to foreign-funded enterprises.

Last year saw a significant growth in the number of business executives from overseas who came to talk about investment in potential projects.

In addition, local enterprises are showing their enthusiasm in cooperating with overseas firms. They work hard to improve product quality and varieties to meet the world market, which has led to a steady rise in exports, according to the city official.

Of the city's export commodities, about 90 percent are from the industrial sector, with electrical machinery accounting for 35.7 percent, statistics show.

The Jinan No. 1 Machine Tool Plant earned 23.4 million U.S. dollars last year from exports, which represented a 1.3-fold increase over 1989.

The utilization of foreign funds is closely linked to the upgrading of local production facilities. Products manufactured by foreign-funded enterprises include laser printers, uninterrupted power supplies (UPS) and other micro-electronic devices. Many can produce substitutes for products from overseas and cut import costs for the country.

Official on Foreign Economic Relations, Trade

SK1801091891 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 17 Jan 91

[Text] The provincial forum of directors of city and prefectural commissions for foreign economic relations and trade ended in Jinan on 17 January. Provincial Vice Governor Ma Shizhong stressed at the forum that we should have a clear understanding of the current situation, strengthen our confidence, and further enhance the sense of overall opening-up in an effort to achieve still greater results in opening to the outside world.

Ma Shizhong said: Last year, our province achieved a relatively great progress in opening to the outside world, with the foreign exchange revenues from export reaching \$3.476 billion, thus realizing the province-assigned goal of ensuring a 5-percent increase and striving for a 10-percent increase. Meanwhile, a relatively good progress was made in utilization of foreign capital; the building of economic development zones changed from building infrastructure to building projects; and good

headway was made in the work related to the contracting of projects abroad, labor service cooperation, investment abroad, and tourism. Last year marked the most lively year of the province in conducting foreign economic relations and trade activities as well as a year scoring the best achievements.

Ma Shizhong pointed out: The province's 1991 plan for the economic and social development has defined the goal of ensuring a six percent increase and striving for a 10-percent increase in foreign export trade. For this, cadres, workers, and staff members of all departments, foreign economic relations and trade departments in particular, must further emancipate the minds, correctly handle the relations between self-reliance and opening-up and the relations between opening-up and development, correctly approach difficulties and opportunities, and further enhance the sense of efficiency.

Ma Shizhong stressed: In this new year, we should continue to open up more cooperation channels, and utilize foreign funds in diverse forms at diverse levels. By seizing the opportunity of out-flowing of funds in the world, we should encourage foreign firms and Taiwan investors to run more joint ventures and cooperative enterprises which use high technologies and create much foreign exchange. In line with the state industrial policies, we should guide foreign traders to make investment in energy, communications, and basic raw materials industries and in foreign exchange-earning agriculture on a priority basis. We should also guide foreign investment to the technological transformation projects of existing enterprises as well as the technologically progressive projects aiming at promoting the province's traditional industries. At the same time, we should pay attention to running existing enterprises involving foreign funds well.

Dolomite Deposit Discovered in Zaozhuang

SK1801061291 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 17 Jan 91

[Summary] Recently a special-grade dolomite deposit has been discovered at Shibu Village in Zaozhuang City's Yicheng District. According to a survey, this deposit is 3,000 meters in length, 300 meters in width, and 50 meters in depth. The total reserves are estimated at 153 million tons.

Shanghai's Zhu Rongji Attends Nonparty Forum

OW1801063391 Shanghai WEN HUI BAO in Chinese
12 Jan 91 p 1

[Text] The Shanghai Municipal CPC Committee invited nonparty personages to a forum at the auditorium of the municipal committee of the Chinese People's Political Consultative Conference on 3 January to solicit their views on the "Proposal for Drawing up the Municipality's 1991 Plan," the "Main Points of the Work of 1991 Outlined by the Shanghai Municipal CPC Committee," and other documents.

Zhu Rongji and Wu Bangguo, secretary and deputy secretary, respectively, of the municipal party committee, attended the forum. Comrade Zhu Rongji spoke at the meeting and Comrade Wu Bangguo relayed the guidelines of the Seventh Plenum of the 13th CPC Central Committee. Officials from all democratic parties and nonparty personages in Shanghai had animated discussions at the meeting. They said: In the past few years, the municipal party committee and the municipal government have done a solid job and scored notable results satisfactory to everyone. They unanimously endorsed the basic ideas and contents of the documents and regarded them as concrete action for implementing the guidelines of the Seventh Plenum of the party Central Committee. Meanwhile, they offered some useful suggestions for invigorating large- and medium-sized state enterprises; intensifying the building of spiritual civilization; promoting democracy and the legal system; developing science, technology, and education; continuing economic improvement and rectification and deepening of reform; making Shanghai-made products more competitive; and further carrying out the united front policy.

Leaders of the democratic parties and representatives of nonparty personages, including Chen Mingshan, Zheng Lizhi, Tan Jiazhen, Wang Xinkui, Yang You, Chen Haozhu, Liu Hengchuan, Wu Zhaoguang, Zhu Shangyi, Xu Yifang, and Ye Shuhua, spoke at the forum. Comrade Wang Hongchang submitted a written statement.

The forum was also attended by Liu Jingji, Dong Yin-chu, Zhao Chaogou, Wang Renzhong, Guo Xiuzhen, and Feng Peide.

Mao Jingquan, Standing Committee member and director of the United Front Work Department of the municipal party committee; Zhao Dingyu and Mao Zhiqiong, deputy directors of the United Front Work Department; and Gao Wenkui, deputy secretary of the municipal party committee, attended the forum.

Stresses Product Quality

OW1801073391 Beijing XINHUA Domestic Service
in Chinese 1111 GMT 16 Jan 91

[By RENMIN RIBAO reporter Lin Gang (2651 6921) and XINHUA reporters Li Niangui (2621 1628 6311) and Li Zhenghua (2621 2973 5478)]

[Text] Shanghai, 16 Jan (XINHUA)—The China Quality Control Association held its second council meeting in Shanghai today. The meeting called on quality control personnel, workers, and staff members in the nation to enthusiastically take part in the "Year of Quality, Varieties, and Efficiency"; persist in producing quality products and striving for efficient quality management; take the road of development for quality and efficiency; and contribute to the sustained, stable, and coordinated development of our country's economy.

Song Jiwen, president of the China Quality Control Association, delivered a work report entitled "People in the Nation, Take Part in the Effort to Raise Quality and Efficiency." He pointed out: We scored great results in raising product quality. At present, China has a large number of products whose quality has reached the world's advanced level and acquired a good reputation. Generally speaking, poor product quality and low economic efficiency have long been a serious impediment that troubled our country's economic development. Quarterly spot checks on product quality, which were carried out in the last two years, showed a persistent 25 percent of products that failed to pass the checks. Even many products that passed quality checks are stockpiled and unsaleable because they were either produced according to old standards, old specifications, or in old styles, or because they were unable to adapt to market needs. Therefore, the State Council decided to launch a nationwide "Year of Quality, Varieties, and Efficiency" activity this year. This is the only way to overcome current economic difficulties and smoothly realize strategic goals for economic development in the future.

Shanghai Mayor Zhu Rongji; Lin Zongtang, minister of the Aeronautics and Astronautics Industry; and Zhao Weichen, vice chairman of the Production Committee under the State Council, spoke at the meeting.

Shanghai follows the guiding principle of "quality being the lifeblood of Shanghai." As a host, Mayor Zhu Rongji reported on Shanghai's experience for doing a good job in quality work to some 300 meeting participants. 1. Shanghai stressed the personal involvement of party and government leaders in quality work. Zhu Rongji said: Merely relying on enterprises to do the quality work in China is not enough. The work must have the support of government and party organizations. The personal involvement of party and government leaders in quality work is one of China's characteristics. 2. Shanghai held up the character of "strictness" as a motto; plants must be managed strictly. It is Shanghai's practice to conduct several product quality spot checks every year. Plants that fail the check are ordered to stop production and make adjustments. A plant director will be relieved of his post if his or her plant fails the check for the second time. 3. The only way out for raising product quality and economic efficiency is technological progress. 4. Product quality and quality management is a macrosystem engineering project, which is also the common undertaking of all the people in the nation; therefore it requires the common efforts of the whole society. It will be very difficult to ensure product quality if we are unable to raise quality consciousness among the people.

Zhao Weichen stressed in his speech the special importance of invigorating large and medium-sized enterprises. He called for the close integration of the invigoration of large and medium-sized enterprises with the launching of the "Year of Quality, Varieties, Efficiency" activities. According to 1989 statistics, the total number of large and medium-sized state-run industrial enterprises in China was 10,706, which accounted for 0.13

percent of the total number of industrial enterprises in China. However, these large and medium-sized state-run enterprises had fixed assets of 797.5 billion yuan, which accounted for 63.9 percent of fixed assets of all industrial enterprises in the nation; gross industrial output value realized by these enterprises was 560.60 billion yuan, or 35.2 percent of all total output value; they delivered 139.10 billion yuan of profits and taxes to the state, which were 61.6 percent of all profits and taxes that nation's industrial enterprises delivered to the state. In the 40 years period from 1949 to 1989, large and medium enterprises delivered accumulated profits and taxes of 1,485.20 billion yuan to the state, which accounted 83.6 percent of all realized profits and taxes. Zhao Weichen held that whether we want to invigorate enterprises and launch the "Year of Quality, Varieties, and Efficiency" activities or not, we must fully mobilize the masses, rely on them, arouse workers' and staff members' sense of responsibility as being the master of their plants and their enthusiasm for socialist construction cause, make them carry forward the spirit of devotion, and comprehensively raise enterprise quality.

Shanghai Collects More Personal Income Taxes

OW1801121891 Beijing XINHUA in English
1145 GMT 18 Jan 91

[Text] Shanghai, January 18 (XINHUA)—Shanghai collected over 41.76 million yuan in personal income readjustment taxes in 1990, 18 percent more than in 1989.

Local taxation officials said that tax remittances from employees of foreign-funded enterprises jumped by 181 percent to 10.61 million yuan. This figure serves as an indicator of the good economic returns of Sino-foreign joint ventures and co-operative enterprises.

Taxes on interest paid on individual bank savings, and dividends on bonds and shares rose by 61.5 percent. Taxes paid by managers engaged in the contract operation of enterprises rose by 78.7 percent, while taxes from writers and translators increased 22.5 percent.

However, taxes paid by other wage earners and patent holders dropped slightly, thereby reflecting Shanghai's control of consumption funds and the sluggish technological market.

Industrial Park Hopes To Attract Taiwan Investors

OW1701184491 Beijing XINHUA in English
1549 GMT 17 Jan 91

[Text] Shanghai, January 17 (XINHUA)—The construction of an industrial park that is expected to attract Taiwan enterprises began today in Shanghai, the largest industrial city in China.

Shanghai Comalong Industrial Park, which is being funded with an 80 million U.S. dollars investment made by the Hong Kong Comalong Trading Co. Ltd., will be located in the Caohejing Hi-Tech Development Zone in the southwestern part of the city.

The park, which is scheduled to be finished by the end of 1995, occupies an area of 42,724 sq meters and will contain eight eight-story factory buildings and a 33-story business center.

When it is completed, the park will be able to host more than 60 enterprises.

In the past year, Taiwan businessmen invested over 100 million U.S. dollars in the city, 33 percent more than in 1989.

200 Cars Individually Owned in Shanghai

OW1701080191 Beijing XINHUA in English
0642 GMT 17 Jan 91

[Text] Shanghai, January 17 (XINHUA)—Shanghai has 200 cars owned by individuals, according to the municipal motor vehicle management bureau.

An official of the bureau said these cars are owned mainly by public figures in literary and art circles, lawyers, owners of private enterprises and people who have relatives overseas.

Most of the cars were made in the Soviet Union or Eastern European countries, and some were made in China.

Shanghai began to allow individuals to buy cars in December 1984.

Zhejiang Congress Committee Holds Meeting

OW1801002991 Hangzhou Zhejiang Provincial
Service in Mandarin 1000 GMT 17 Jan 91

[From the "Provincial Hookup" program]

[Text] The 20th session of the seventh provincial people's congress standing committee opened in Hangzhou today. Chen Anyu, chairman of the Zhejiang Provincial People's Congress Standing Committee, presided over the meeting. Major topics on the agenda of the meeting include studying documents of the Seventh Plenum of the 13th CPC Central Committee; adopting the decision to convene the fourth session of the seventh people's congress; hearing and examining reports on the provincial people's government execution of the 1990 financial budget and initial arrangement for the 1991 financial budget; hearing and examining a report on the provincial people's government on the comprehensive management of social order; examining and approving draft measures on implementing the water law of Zhejiang; examining and approving draft measures on security management in public places; examining and approving regulations on managing passenger buses and taxis in Hangzhou City; examining and approving a report on the handling of proposals; discussing a draft work report of the standing committee of the provincial people's congress; personnel appointments and dismissals; and other issues.

Wu Minda, Li Yuhua, Zhu Zuxiang, Wang Yumin, and Yang Bin, vice chairmen of the Standing Committee of the Zhejiang Provincial People's Congress, attended the meeting. Attending the meeting as observers were Vice Governor Chai Songyue; Qiu Qinghua, vice chairman of the Provincial CPPCC [Chinese People's Political Consultative Conference]; Yuan Fanglie, president of the Zhejiang Provincial Higher People's Court; Hu Canshi, chief procurator of the provincial people's procuratorate; and leaders of relevant provincial departments and bureaus.

Zhejiang Free Market Business Volume Reported

OW1801104691 Beijing XINHUA in English
1032 GMT 18 Jan 91

[Text] Hangzhou, January 18 (XINHUA)—By the end of last year, Zhejiang Province, located on the southeast China coast, had 3,797 free markets by the end of 1990, an increase of 128 over 1989.

The provincial administration of industry and commerce told XINHUA the markets reported a business volume of over 16.19 billion yuan in 1990, up 8.68 percent over the previous year.

Free markets mainly handle vegetables and other agricultural products, and are noted for flexible pricing.

In the past few years, free markets in the province have developed steadily and, simultaneously, a number of new characteristics have emerged.

Traditionally, free markets only handled retail business, however, wholesaling is very popular today. Statistics show that the province's 123 wholesale markets for agricultural products had a business volume of over 900 million yuan last year.

Another new characteristic to free markets is the availability of industrial products, and over 311 free markets now specialize in small industrial products. Hangzhou, the provincial capital, alone has 1,130 enterprises which send their products to free markets regularly.

Zhejiang Approves More Foreign-Funded Enterprises

OW1701111591 Beijing XINHUA in English
1041 GMT 17 Jan 91

[Text] Hangzhou, January 17 (XINHUA)—East China's Zhejiang Province approved 271 foreign-funded enterprises last year, 265 of which are production ones.

By the end of last December the province had a total of 701 foreign-funded enterprises, including those involved in the garments, textiles and electronics industries.

Among investors of these firms 87 are from Taiwan.

Central-South Region

Shenzhen Said Resisting Hard-Line Ideologues

HK1801022191 Hong Kong SOUTH CHINA
MORNING POST in English 18 Jan 91 p 10

[By Daniel Kwan]

[Text] The Special Economic Zone [SEZ] of Shenzhen has resisted attempts by Beijing's hard-line ideologues to impose its Marxist values on the south, sources said yesterday.

Shenzhen propaganda officials recently produced a four-part television documentary called **Embrace the Mountains and the Seas**, which is a "counterweight" against a leftist film they had been instructed to make last year.

The earlier production, **On the Road: A Century of Marxism**, was reportedly a brainchild of leading conservative ideologue, Mr. Deng Liqun.

Road was an attempt to discredit the "bourgeois-liberal" television serial **The River Elegy** of mid-1988, which argued for the large-scale introduction of Western culture.

The main writer of **Elegy**, Su Xiaokang, fled to France soon after the June 4 massacre.

Road pointed out that despite its status as a special zone, Shenzhen must resist capitalist influence and steadfastly uphold Marxist principles.

Both **Road** and **Embrace** were directed by Yuan Wei, an artist from a defence unit, and were financed by the Shenzhen Propaganda Department.

Both films have been shown during prime time on national television and videotapes are now distributed by a company owned by national daily newspaper ECONOMIC DAILY.

According to a source close to the producers, **Embrace** was written by a He Xiaolu, a woman writer who came from the Nanjing Military Region.

Embrace, which premiered late last year when Shenzhen celebrated its 10th anniversary, reaffirmed the accomplishments of the SEZ.

The source also said **Embrace** had been inspected by leading officials of the State Council and "very senior party leaders" before it was released.

Along a similar line, Shenzhen officials also produced a feature film called **Hello, the Pacific**, which was shown recently in local cinemas.

Hunan Enterprises To Deal With Overseas Firms

OW1701135891 Beijing XINHUA in English
1318 GMT 17 Jan 91

[Text] Changsha, January 17 (XINHUA)—Hunan Province has designated 100-odd key enterprises to cooperate with overseas firms this year, Vice-Governor Chen Binfan told XINHUA.

Chen said that the 100-odd key enterprises will actively attract overseas investment, introduce advanced foreign technology and adopt modern management expertise to accelerate development of Hunan's industry.

The key enterprises are associated with the machine-building, electronics, textile, consumer goods, food, non-ferrous metals, metallurgical, chemical and defense industries.

All the enterprises designated to cooperate with overseas firms are profit-making ones, Chen noted.

According to estimates by experts, each yuan invested in these firms will yield 1.5 yuan, and investment returns will reach 15 percent.

Streamlining the enterprises will require a total investment of three billion yuan, including 330 million U.S. dollars in overseas funds.

The vice-governor said that Hunan Province approved 494 projects involving a total investment of 797 million U.S. dollars of overseas funds during the past five years.

Hunan has rich resources of non-ferrous metals and agriculture, as well as a sound industrial foundation, according to Chen.

He said that overseas investors will be able to enjoy all the preferential policies stipulated by the state. Moreover, they will have right to hire and fire workers.

The provincial government has also decided to improve services and enhance efficiency in handling overseas investment affairs, said Chen.

Southwest Region

Hu Jintao Discusses 7th Plenum Guidelines

OW1701175791 Lhasa Tibet Television Network
in Mandarin 1300 GMT 16 Jan 91

[By station reporters Gesan Danzim and Jiang Li; from the "Tibet News" program]

[Text] The Second Enlarged Plenum of the CPC Fourth Tibet Autonomous Regional Party Committee opened at the Xizang People's Hall in Lhasa on the morning of 16 January. The agenda of this meeting is to conscientiously convey, study, and implement the guidelines of the Seventh Plenum of the 13th CPC Central Committee. Comrade Hu Jintao, secretary of the autonomous regional party committee, chaired the meeting.

Forty-nine committee members were supposed to attend the plenum. Among them, 14 committee members took sick leave or causal leave; a total of 35 attended the plenum. Also expected to be present at the plenum were 10 alternate committee members. Six took sick leave or causal leave, and four attended the plenum. The number of attendees met party constitution requirements.

Gyaincain Norbu, Basang, Mao Rubai, and Danzim, deputy secretaries of the autonomous regional party committee; Chen Hanchang, Standing Committee member of the party committee; members of the autonomous regional Discipline Inspection Commission; party members and leading cadres of the autonomous regional People's Congress, government, and the Tibet Military District; administrative commissioners and mayors of various prefectures and cities; and major responsible comrades of various units directly under the autonomous region attended the meeting. Also attending the meeting were party members and cadres of units directly under the autonomous region and of those at and above the county level in Lhasa City.

Comrade Hu Jintao, secretary of the autonomous regional party committee, first briefed the plenum on the Seventh Plenum of the 13th CPC Central Committee. Speaking of the importance of the plenum, he said: The Seventh Plenum of the 13th CPC Central Committee is important for the coming decade and for mobilizing all party members and people of all nationalities around the country to strive for the fulfillment of the second-stage strategic objective of socialist modernization. The entire plenum was one of seeking truth from facts, developing a democratic work style, building confidence, and enhancing unity.

Gyaincain Norbu and Danzim, deputy secretaries of the autonomous regional party committee, successively conveyed Premier Li Peng's elaboration on proposals concerning the drawing up of the 10-Year Program and the Eighth Five-Year Plan issued during the Seventh Plenum of the 13th CPC Central Committee; key guidelines of the CPC Central Committee's proposals concerning the drawing up of the 10-Year Program for National Economy and Social Development and the Eighth Five-Year Plan; and General Secretary Jiang Zemin's important speech at the close of the plenum.

Gyaincain Norbu and Danzim said: The Seventh Plenum of the 13th CPC Central Committee reviewed and adopted the CPC Central Committee's proposals concerning the drawing up of the 10-Year Program for National Economy and Social Development and the Eighth Five-Year Plan. The seven-part proposals are: main objectives and basic guidelines; industries to be emphasized in economic development and regional distribution; tasks of and policies for developing scientific, technological, educational and cultural undertakings; raising the people's living standards and improving the social security system; direction, tasks, and measures of deepening reform of the economic structure; opening wider to the outside world; and the whole party and

people of the whole country uniting and striving for realization of the 10-Year Program and the Eighth Five-Year Plan. The plenum called on all Communist Party members and Communist Youth League members; workers, peasants, intellectuals of all nationalities around the country; the large number of cadres and people's armed forces; all democratic parties; all mass organizations; and nonparty patriots to unite more closely under the CPC Central Committee's leadership with Comrade Jiang Zemin as the nucleus; and to immerse themselves in hard work with one heart and one mind to successfully achieve the grand missions of the 10-Year Program and the Eighth Five-Year Plan.

The Second Enlarged Plenum of the CPC Fourth Tibet Autonomous Regional Party Committee will conscientiously convey and study guidelines of the Seventh Plenum of the 13th CPC Central Committee; deliberate the regional party committee's proposals on the drawing up of the 10-Year Program for National Economy and Social Development and the Eighth Five-Year Plan; deliberate suggestions by the CPC Tibet Autonomous Regional Party Committee on further implementing the CPC Central Committee's decision on strengthening the party's links with the masses; and discuss the autonomous regional party committee's key work points for 1991.

Tibet Inaugurates New Science Quarterly

OW1701053891 Lhasa Tibet Television Network
in Mandarin 1300 GMT 15 Jan 91

[By station correspondents Gesan Qunpei and Zeng Zhikang; from the "Tibet News" program]

[Text] A forum to mark the inauguration of XIZANG KEJI QINGBAO [TIBET SCIENCE AND TECHNOLOGY INFORMATION], the first science and technology information quarterly approved by the state, was held in Lhasa on 14 January.

Sengqen Lozong Gyaincain, vice chairman of the autonomous regional people's congress Standing Committee, as well as leaders of the relevant departments, experts, and scholars, attended the forum.

The purpose of XIZANG KEJI QINGBAO is to help leaders make policy decisions and promote scientific, technological, economic, and social development in Tibet.

The quarterly will always put upholding of the correct political orientation above anything else in earnestly implementing the party's principles and policies on science and technology, adhering to the four cardinal principles, and persisting in reforms and opening to the outside world. In accordance with the needs of Tibet's scientific, technological, and economic work, the quarterly will analyze and predict scientific research trends, and publicize new products, technologies, and technical know-how developed by the region. It will also provide

applied technologies and results of the latest scientific and technological research for promoting Tibet's economic construction.

The forum attendees believed that the new quarterly will play a positive role in China's scientific and technological progress and economic construction.

Four Criminals Executed in Yunnan

HK1801084691 Hong Kong AFP in English 0840 GMT 18 Jan 91

[Text] Beijing, Jan 18 (AFP)—Six Chinese were sentenced to death late last month in Yunnan province for murder, violent robbery and drug trafficking, and four of them were executed immediately, the local press said.

In its January 11 edition, received Friday in Beijing, the Yunnan Legal Journal said the intermediate tribunal in Kunming, the capital of the southern province, granted one woman a two-year reprieve from her sentence.

It did not specify the fate of the sixth defendant.

The court sentenced the six after a public trial. Open trials, often attended by tens of thousands of spectators, are part of China's anticrime campaign.

North Region

Trees Make Beijing's Miyun Reservoir Cleaner

OW1801060091 Beijing XINHUA in English 0302 GMT 18 Jan 91

[Text] Beijing, January 18 (XINHUA)—The 80,000 hectares of trees planted around the northern part of Beijing's Miyun Reservoir have made the water cleaner, BEIJING DAILY reported today.

The reservoir, which lies to the northwest of the capital, is a major source of drinking water for Beijing's citizens.

The afforestation was mainly done by the people of Miyun County during the past decade, with support from the Ministry of Forestry and the municipal and county governments.

The work was one of the key projects connected with northern China's shelterbelt construction, known as the "Green Great Wall" plan.

Xing Chongzhi Addresses Conference on Opening-Up

SK0901065791 Shijiazhuang HEBEI RIBAO in Chinese 26 Nov 90 pp 1,3

[Text] The following is the full text of the speech made on 24 November by Xing Chongzhi, secretary of the provincial party committee, at the provincial conference on opening the province to the outside world.

1. Leaders at Various Levels Should Further Strengthen the Concept of Opening the Province to the Outside World.

The concept of opening to the outside world is one of development. To develop the economy and guide the masses to seek wealth, we must do a good job in opening the province to the outside world. Simultaneously, the stronger the sense of responsibility for developing socialist undertakings, the stronger the concept of opening to the outside world should be. Therefore, we should ceaselessly free our minds, continuously extricate ourselves from the bounds of the small-scale production awareness with which we close ourselves off from the outside world, and unceasingly strengthen the concept of opening to the outside world. Since the third plenary session of the 11th party Central Committee, our party has encouraged people to emancipate their minds and use their brains. In the course of party rectification, our province focused its efforts on solving the problems of "political tardiness and ideological conservatism" and made noticeable results in this regard. However, viewing the current situation, we know that we should further stress the need to solve the problems in this regard. Recently, the office of the provincial party committee investigated and analyzed the tentative work arrangements for the Eighth Five-Year Plan period by various prefectures, cities, and counties and found that only a few localities had really assigned importance to the work of opening to the outside world. The tentative work arrangements set forth by some coastal counties that are designated to open themselves to the outside world are somewhat short of appropriate special characteristics and strength. Some even did not mention the words "open up" at all. This situation indicates that some of our comrades do not have a strong sense of opening to the outside world. Existence determines consciousness when consciousness reacts significantly to existence. Only when we truly foster a strong concept of opening to the outside world will we be filled with a high degree of initiative and creativity to conduct our activities. How can we further strengthen the concept of opening to the outside world? Judging from our cadres' current ideological situation, I think that party committees and governments at various levels should educate and improve the vast number of cadres according to the following few points: First, we should approach problems from the high plane of implementing the party's basic line. Opening the country to the outside world is not a selfish policy, but a national one that our party drew up in line with the national situation and focusing on the development of productive social forces, on displaying the superiority of socialism, and on building socialism with Chinese characteristics. It is also an important part of the basic party line in the initial stages of socialism. To comprehensively and accurately implement the party's basic line, we should persist in the policy of opening the country to the outside world and do it well. If we do not carry out the policy or fail to do it well, it will be difficult for us to persist in taking economic construction as a key link and to adhere to the four cardinal principles.

Second, we should have a sense of urgency for opening to the outside world. Why is our province economically backward? An extremely important reason is that we lag behind in the sphere of opening the province to the outside world. At present, the economic and technological contacts between different countries are becoming increasingly wider and the trials of economic strength between different countries are intensifying. Some places at home, including both coastal and inland areas, various provinces, municipalities, and autonomous regions, as well as some enterprises, are making positive efforts to develop the economy and production, and are trying to think of ways to expand the focus of their economic activities to other localities, provinces, and foreign countries. If we are satisfied with the current situation and do not take greater strides toward opening to the outside world, we will not be able to change our backward situation or catch up with the advanced, and will even find it difficult to maintain the rank that we have occupied in the national economic development. We must have a stronger sense of urgency and crisis, and adopt more positive and effective measures for promoting the opening of the province to the outside world so as to eliminate backwardness and catch up with the advanced as soon as possible. Third, we should firmly foster the concept of widely opening all of our doors. Some comrades have considered opening up as merely opening to foreign countries, or have considered it merely importing foreign funds and initiating new projects. This is not a comprehensive understanding. Without doubt, we should try every possible means to successfully open ourselves to foreign countries, and take an active part in international economic cooperation, and the international scientific, technological, and cultural exchanges, as well as international trade contacts. At the same time, however, we should try every possible means to open our province to other provinces, open our cities to cities of other provinces, and open our units to other provinces' units. We also should energetically develop lateral economic associations in various fields and at various levels. Those funds that can be imported should be imported in a positive and bold manner, and those projects that can be initiated should be initiated, by hook or by crook. In the meantime, we should conscientiously study, import, master, and—in line with our own reality—apply all advanced sciences and technologies, all advanced managerial methods, all advanced experiences in developing economic work, and all sorts of scientific and technological talents at home and abroad. Thus, our field of vision can be broadened, our methods can be numerous, our avenues can be wider, and our results can be good. Fourth, we should be fully confident in accelerating the pace of opening-up. At present, there really are quite a few difficulties in accelerating the pace of opening-up. Internationally, the economic sanctions imposed on our country by imperialism have not yet been lifted completely, and many obstacles remain. Domestically, there still are many contradictions and problems in economic areas, like shortages of funds and raw materials, and the existence of regional blockades to a certain extent. However, it does not mean

that these difficulties cannot be overcome. Tangshan City's experience tells us that there are difficulties, but also opportunities. The key lies in seizing opportunities. As long as we seize opportunities in a timely manner, work hard and forge ahead, grasp management and technological transformation firmly and unswervingly, engage in importation, strive to initiate projects, and attend to tasks in a down-to-earth manner, we will be able to get through the difficulties and achieve progress. We have difficulties, but also methods. The key lies in the full exploitation of subjective activity and firm confidence in the fact that there are always more solutions than problems. As long as we take full advantage of favorable conditions in various fields and try every possible means, all difficulties—including shortages of funds and raw materials—will be overcome. Fifth, we should carry out opening-up in an even bolder manner. Realistically speaking, many of our cadres are not adverse to opening-up, but they are too timid in this regard. In contacting outside places, these cadres are afraid of entering high-level organs, of meeting high-ranking cadres, of meeting foreigners, of being treated coldly, and of failing in business. And in initiating joint ventures involving foreign funds, carrying out the three forms of import processing and the compensatory trade, importing foreign funds and technologies, and developing lateral economic associations, these cadres are afraid of running risks, being fooled or deceived, making mistakes, and being blamed by others. A series of fears has tied the hands of these cadres, and as a result, opportunities have been lost, the things that could be achieved have failed, and some possible cooperative items have been lost. In this way, it is natural that we find it hard to take a step in opening-up. Our aim is to serve the people wholeheartedly, and our purpose is to master swimming in the course of learning to swim, to master opening-up in the course of opening-up, and to make our country strong and our people affluent by accelerating economic development. If we truly want to be involved in some undertakings and do some good and tangible deeds for the masses, we should not be afraid. Being afraid is an expression of attempting and accomplishing nothing, as well as an expression of being irresponsible about the work of the party and the people. Of course, we should be bold and also be good at doing things, but first we must be bold in doing things and should learn to do things well in the course of doing them.

The key to the opening up and economic construction of a locality lies in its party committee and government. Therefore, to enhance cadres' concept of opening to the outside world, we should pay particular attention to the work of leading bodies and leading cadres at various levels. In the future, when we examine whether party committees and governments have a strong concept of opening up, we should see first whether they place opening-up high on their agendas, and whether they solve problems in a timely manner. Second, we should see whether they have eliminated numerous kinds of "fear," and have the courage to make work decisions

with confidence rather than missing opportunities by not making the decisions. Third, we should see their actual results in opening up, such as whether the projects concerning Chinese-foreign joint ventures and cooperative enterprises, exclusively foreign-funded enterprises, processing and assembling with materials and specifications provided by foreign firms, and compensation trade have been increased; whether progress has been made in foreign trade and foreign exchange earnings; whether lateral economic cooperation at home has been developed; whether the technical transformation and management of enterprises have been improved; and whether their places in opening to the outside world have risen as compared with similar localities. We should conduct the examination at least twice a year in order to discover the ideological reasons why we lag behind in our actual work. We should seek development in the process of making improvement. Prefectural, city, and county party committees, commissioner's offices and governments, and provincial departments in charge of the economy should regard the examination as an important content of the year-end summary of their work, and carry it out conscientiously.

Meanwhile, we also should understand that as the international and domestic situation are changing continuously, science and technology are advancing continuously, market demands are changing quickly, and our cadre contingent also is changing continuously, our efforts to enhance the concept of opening up should be made on a regular basis, and not once and for all.

2. We Should Formulate Realistic and Feasible Plans and Measures for Opening to the Outside World.

Opening to the outside world is our basic national policy to be followed on a long-term basis, the only way to make the country strong and the people rich, and a major task concerning the entire situation of economic development. Therefore, if we are to achieve success in opening to the outside world, we should refrain from adopting a piecemeal approach, and from developing whatever comes to mind or whatever we encounter. We should formulate realistic and feasible general plans and measures compatible with changes in the situation, and see to it that our work is done in a planned and orderly manner. Only in this way can we enhance our awareness, avoid ill-considered acts, and take no or few detours. We are now drawing up the Eighth Five-Year Plan for development, and the ideas for the 10-year program. When doing this work, the province—as well as various prefectures, cities, and counties—should regard opening up as an important content, and make unified plans and arrangements for it.

This conference explicitly put forward the goals for and specific demands on our province's opening to the outside world for the next three years, from 1991 to 1993. While formulating their plans and measures, all localities first should study and work out their development plans for opening to the outside world for the next three years, with the focus on attaining these goals and

demands. After this, they should discuss and work out the development plans and basic ideas for the next five and 10 years. Major contents of their plans should include the importation of technology and key equipment to successfully transform existing enterprises; the development of Chinese-foreign joint ventures and cooperative enterprises, and exclusively foreign-funded enterprises so as to use foreign capital in a more effective manner; the successful construction of base areas to expand exports and earn more foreign exchange; the development of lateral cooperation and economies of scale; and the improvement of both tangible and intangible environments to attract more foreign firms. In particular, we should work out plans for capital construction and technical transformation projects; inspect, appraise, organize, and arrange these projects well; and see to it that the projects are developed, planned, and reserved in a planned manner.

Because we are fairly backward and because the situation facing us is very grave, accelerating the work of opening to the outside world will be restricted by various conditions. Therefore, in formulating plans and measures, we should uphold the principle of doing one's best, acting according to one's capacity, and taking active and reliable steps, enabling these plans and measures to play a realistic role in guiding and promoting the work of opening to the outside world. We should keep our eyes on development; consider promotion and development as the main aspect of the whole plan for opening up; fully manifest the trend of actively forging ahead, striving for progress, and advancing continuously; and encourage the people to try by all possible means to manage well all things they can manage and all things that need to be managed. We should base ourselves on reality; persist in proceeding from the actual situations in each specific locality, city, and county; clarify the work ideas; promote strong points; avoid shortcomings; display superiority; strive to do a good job in this work; and promote opening up and economic construction in a down-to-earth manner. We should adopt a scientific attitude and conscientiously investigate, and technically and economically appraise each and every task and project, so they can be feasibly carried out. We should correctly handle the relationship between the rate and efficiency, and between expanding production through upgrading technology and launching new projects, interests of the part and the whole, long-term immediate interests and long-term interests, and necessity and possibility, and guarantee sustained, stable and coordinated development in the whole economy. Since the founding of the PRC, we have witnessed three violent ups and downs in our economic work which forced us to make the third major readjustment. This was caused by our losing contact with the reality and being overanxious for quick results. We should absorb this historical experience and lesson. The purpose of mentioning this issue now is aimed at reminding you to pay attention to this. It does not imply that this issue has already existed. The main trend of our province's current opening-up work is that we fail to sufficiently open the province to the outside

world and to fully use all favorable conditions, and that we are in a semi-closed and backward state which resulted in slow economic development. So, the main thing we should do at present is to enhance people's morale and spirit, organize and mobilize cadres across the province to work for developing and invigorating Hebei and accelerating the pace of opening up and economic construction. This is our fundamental purpose of formulating the development plans and measures.

3. We Should Actively Raise the Skills of Cadres at All Levels in Opening to the Outside World [subhead]

We should think of, dare to and be good at opening the province to the outside world. This constitutes an issue of requiring conscientious efforts in study, accumulating experience and raising the skills of opening the province to the outside world. How should we enhance our skills? The fundamental point is to study the experience assiduously. Regarding this issue, the provincial party committee made special remarks at the provincial study meeting of secretaries of the prefectural, city and county party committees in 1986. Through years of efforts, many comrades achieved very good results in the study while some others failed to do sufficient work in this regard. Opening to the outside world is a new issue. It is understandable that we will be unfamiliar with and will not understand and be sure of many things. However, we must make the best use of our time to study, and must not be satisfied with having half-baked knowledge. Still less should we be content with the existing state of affairs for a long time. Under similar objective circumstances, some comrades have noticeably enhanced their skills in opening to the outside world through their active efforts. Many people have become backbone cadres with a good command of professional skills, while other comrades have failed to achieve a great enhancement. It was learned that cadres of some open zones knew nothing about the preferential policies which the provincial authorities had promulgated for several years, and they asked for them again from the provincial authorities; some have selected some projects involving foreign investment, but did not know how to hold talks with foreign traders; some foreign traders came to the province to hold trade talks, but they failed to reach an agreement because of our mean terms. This shows that whether we study experience assiduously or not will make a great difference in the situation. So, it is very necessary for us to stress again the importance of studying the experience again. Cadres, regardless of whether they come from the economic departments or from the party and government organs or not, should exert more energy to study economics and the experience on opening up, conduct study emulation and strive to make all people generally enhance their economic and opening-up skills within a short period of time, and enable more comrades to become experts in this regard.

In working hard for opening up, we should start with basic knowledge and practice. We should first master the basic knowledge on opening to the outside world as soon as possible. Starting with their leading cadres, party

committees and governments at various levels should immediately organize their cadres at different levels and in different posts to intensify the study of the knowledge. Through the study, leading cadres of party committees and governments should at least achieve "six understandings and one skill." They should understand 1) the principles and policies of the central and higher authorities related to opening to the outside world, and major economic rules and regulations involving foreigners, 2) ways to have a correct command of the changes in the international and domestic markets, and to obtain and use relevant information in a timely manner, 3) the regulations and procedures related to foreign economic and technological cooperation and domestic lateral economic cooperation, 4) the general knowledge and actual work related to foreign economic talks, 5) etiquette concerning foreigners and discipline concerning foreign affairs, and 6) ways to defend the dignity and interests of the state, and to resist anything reactionary and corrupt when carrying out foreign economic activities. They should learn to master the skill to carry out publicity toward foreign countries. A success in the publicity toward foreign countries is helpful not only to winning the understanding, sympathy and support of the people of various countries but also to our endeavors of opening to the outside world, economic development, and building of the spiritual civilization. Through large-scale coordinated foreign economic relations and trade, scientific and technological, tourist and cultural activities, we should actively carry out work to make our publicity toward foreign countries more successful and effective. Leading cadres of the areas opened to the outside world should particularly do a better job in achieving the six understandings and one skill, regard it as a task, and strive to score achievements in it in one or two years.

We should particularly intensify efforts to temper cadres through practice. Practice is the best classroom, and the most important study course. To make good use of this classroom and study well this course, we should continuously summarize and improve our work. Although some of our comrades also worked hard, they failed to learn from their lessons of suffering losses, and have not achieved major progress for a long period of time. We should pay attention to this and overcome such a practice. Some comrades made rapid progress, and seemed wiser than others. Their shortcuts are courage in practice, diligence in study and summarization of work, and ability to learn from experiences and lessons. From now on, we should summarize in a timely manner the work in every stage of the activities to introduce investment from abroad and establish lateral ties at home. We should make everyone know clearly what the experiences and lessons are, how to develop the experiences and learn from the lessons, and what measures should be taken to make improvement. In this way, we will have discoveries, inventions, creations and progress continuously, and an ever improving skill in opening to the outside world, and will go gradually from the realm of necessity to the realm of freedom in our opening to the outside world.

While extensively intensifying the study and training of cadres, we should make efforts to train a group of backbone personnel who have both the enthusiasm and the skill for opening to the outside world. Every prefectural, city and county government and economic department involving foreigners, and every large and medium-sized enterprise should have at least two or three such personnel. These backbone personnel should have sound political and ideological quality, and high professional level, and should be able to meet the needs in various economic activities involving foreigners.

Now, those localities and units which are short of qualified persons in this field should rapidly look for targets of such persons, and adopt effective measures to train them. For instance, these localities and units should consciously allow a number of cadres with prospects of training to participate in some economic activities involving foreign affairs, such as allowing them to participate in the whole process, ranging from negotiations to construction, of undertaking Sino-foreign joint venture and cooperative items, dispatching them to the localities and units that are advanced in carrying out opening-up to hold work posts with the purpose of tempering themselves, and sending them to institutions of higher learning for further study. Such backbone talented persons should be concerned and protected all the more by party committees and governments at all levels; and those who have performed outstandingly and made great contributions should be managed in a special manner by organizational and personnel departments. Cadres of governments at all levels and cadres of all enterprises and institutions who are engaged in the foreign economic work should all profoundly understand what duties they shoulder, and should strive to cultivate themselves into excellent qualified persons.

4. We Should Have a Efficient Work Style of Dealing With Concrete Measures Relating to Work.

To accelerate the pace of opening-up, we are badly in need of a ideological style that is suitable for the opening-up work. This is an important issue which has a bearing on the efficiency of opening-up. Here, I would like to stress four points:

First, we should deal with concrete measures relating to work in a down-to-earth manner. During the past several years, Tangshan City has done a good job and scored marked results in doing the opening-up work. A conspicuous feature of this city's leadership style lies in its quiet and concrete endeavor. Refraining from paying lip service and working flashily without substance, this city has made every effort to really implement various plans and measures step by step, and has done its best to achieve success in the newly initiated projects one by one. Such a style of doing solid work and striving for actual effect very much merits our learning. In carrying out opening-up, in importing something from abroad, and in cooperating with domestic places, it is impossible for us to achieve success in every project on account of many factors. But, we should try our best to achieve success in

as many projects as possible. This requires us to truly do a solid job in a down-to-earth manner, to do the work well in every link, and try our best to avoid or minimize defects. By so doing, our opening-up work and our economic construction as a whole will be able to progress step by step and yield actual results.

Second, we should work quickly and with high efficiency. In opening to the outside world, we are faced with the task of grasping information, market, and opportunity. Therefore, we are specially in need of high efficiency. However, at present some localities and units are amazingly slow in handling practical affairs and thus have lost many opportunities and delayed many affairs. It is revealed that it has taken a certain responsible department of the province more than two years to examine and approve an item of importing foreign funds and technologies. Among the enterprises we visited this time, some of their construction projects have not been put into effect until these projects obtained agreement and support from more than 120 units of the province, cities, and the State Council. We should approach such a problem with the perspective that the superstructure lags far behind economic construction and should solve it in a resolute manner. If we allow comrades at lower levels to go through fewer units to get their projects approved, if all links open the green light for the affairs that are legitimate, just like Luannan County does, if we make the examination and approval formalities which should be completed by going through a dozen of departments to formalities that can be completed within a day, if we turn the work style of wrangling with others to the work style of working in full cooperation and with unity of purpose, if we change the past work style of merely imposing administration to rendering positive service, and if we thoroughly change the phenomenon that the people seldom can enter the doors of leading organs, see smiling faces there, and getting business done there, our work efficiency will be able to improve greatly, and our province's cause of opening to the outside world will develop in an even more rapid and better manner.

Third, we should muster our efforts to open to the outside world. Opening to the outside world is not the work for party committees and governments alone, much less the work for the departments in charge of the economy, foreign economic relations and trade departments, and the departments opened to the outside world. It is the work for the entire party. All departments and all organizations in society have the responsibility for it. They should pool their efforts to carry out the work, and boost each other's morale. For this reason, they should resolutely overcome and avoid such unhealthy phenomena as each doing things in his own way, elbowing others aside or even counteracting others' efforts, and truly establish a coordinated force in the province for mutual support and attaining the unified goals for opening to the outside world. Party committees, governments and pertinent departments at various levels should actively support and coordinate with anything conducive to accelerating our province's opening to the

outside world. They should particularly adopt every means to help some localities and units solve their difficulties and problems.

Fourth, we should trust and support the cadres devoted to their causes. Our efforts to accelerate opening to the outside world require the active work of the vast number of cadres, especially those working on the forefront. Party committees and governments at various levels should fully trust and support the work of these cadres. When they commit mistakes in work, pertinent leaders at higher levels should analyze the reasons, and help them in line with their specific conditions. As long as the mistakes do not involve dereliction of duty or pursuit of selfish interests, we should help these cadres summarize their experiences and lessons, and should never negate them completely by regarding the minor aspects as the major aspects. A current phenomenon is worth our attention. That is, personnel are sent to conduct examination whenever it is heard that cadres have some problems in economic activities, and the examination is even conducted repeatedly by different departments, thus making the cadres who have no problem at all or who have minor mistakes feel at a loss, and affecting their work and production. Such a phenomenon must be changed. In the future, when a department wants to examine and handle the problems of the leading cadres of party committees and governments, it should obtain the approval of pertinent party committees in line with the scope of its authority for cadre management; when it wants to examine and handle the problems of enterprise leading cadres, it should obtain the approval of the higher-level party committees to which the enterprises are subordinate; and when the examination should be conducted by several departments together, party committees and governments should coordinate and make unified arrangements for it. When a problem is discovered, we should strictly determine its nature, and conscientiously use policies to handle it properly. When the results of the examination are found to have problems, the problems should be pointed out in a serious manner, words that are not true should be clarified, and cadres who should be freed from the wrong judgments should be freed. Deliberate slander out of personal purposes should be dealt with according to the seriousness of the cases. People who do nothing but find fault with others should be seriously criticized, and punished if necessary. In short, we should provide a good work environment for the comrades devoted to their causes, and never make them feel at a loss.

Opening to the outside world is a brand-new undertaking. To actively promote this undertaking, and use it to facilitate the development of the economic construction of our province and the accomplishment of the four modernizations is a sacred responsibility entrusted us by history. All localities, be they localities fairly successful in opening to the outside world or those with many difficulties, should redouble their efforts, work in a down-to-earth manner, and further organize and lead well the work of opening to the outside world, so that it

will make a still bigger stride, and facilitate the sustained, stable and coordinated economic development of the province.

Inner Mongolia Economic Experimental Zone Viewed

SK1801114091 Hohhot Inner Mongolia Regional Service in Mandarin 2300 GMT 17 Jan 91

[Summary] Hulun Buir League, which was designated by State Council as an experimental zone for economic reform on 18 January 1988, made efforts to open to the outside world in the past three years. According to statistics, by the end of 1990, the league had signed border trade contracts worth more than 690 million Swiss francs with the Soviet Union and Mongolia, and goods worth more than 200 million Swiss francs had been delivered. By the end of 1990, it had also signed 47 economic and technological cooperation contracts with the Soviet Union, and 29 of them involving more than 12 million Swiss francs had been fulfilled. It had also sent more than 1,500 technical personnel and laborers abroad by the end of 1990. Meanwhile, through Dalian Port, it developed self-managed export of goods to Japan, West Germany and Syria, and earned more than \$1.4 million. The league also established ties for economic and technological cooperation with 26 provinces, municipalities and regions of the country in the past three years, signed more than 260 cooperation contracts, and brought in 140 million yuan of funds, more than 280 units of equipment, and 342 trained personnel. In the past three years, the league developed 1.06 million mu of wasteland suitable for farming, transformed 870,000 mu of low- and medium-yielding farmland, increased paddy fields by 220,000 mu, and developed 100,000 mu of grassland for animal husbandry. It achieved self-sufficiency in grain production, and steadily developed animal husbandry. The league now has Manzhouli, Heishantou in Ergun Right Banner, and Shiwei as state-level outlet for the trade with the Soviet Union, and one temporary spot for delivery of export goods to Mongolia.

Inner Mongolia Fulfills 1990 Export Target

SK1801114591 Hohhot Inner Mongolia Regional Service in Mandarin 2300 GMT 17 Jan 91

[Summary] The region's volume of export totaled \$326 million in 1990, overfulfilling by 14.3 percent the target assigned by the Ministry of Foreign Economic Relations and Trade.

Northeast Region

Heilongjiang Implements New Agricultural Projects

OW1701154891 Beijing XINHUA in English 1343 GMT 17 Jan 91

[Text] Harbin, January 17 (XINHUA)—Northeast China's Heilongjiang Province has initiated implementation of new agricultural development projects in the Three-River Plain and in the Songhua and Nenjiang river valleys.

As part of the 1991-1993 development plan, the state and local governments will each invest 100 million yuan (20 million U.S. dollars) annually in the Three-River Plain. In addition, the Agricultural Bank will allocate 400 million yuan in special loans for the development project in the three-year period. The 1 billion yuan investment will allow for the improvement of 466,000 hectares of low-yield land, reclamation of 66,000 hectares of wasteland, and the amelioration of large tracts of grasslands. The ensuing result will be an increased grain production capacity of 1.25 million tons.

Li Fangxu, director of the leading group for provincial agricultural development, said that as part of a State Council decision the first phase development of the Three-River Plain—the Heilong, Songhua and Usuli river valleys—was carried out from 1988-1990.

During the three year period, 520,000 hectares of low-yield land was improved, including 163,000 hectares of arid land which was converted to paddy fields, 121,000 hectares of wasteland was reclaimed, afforestation was accomplished on 94,500 hectares, and 45,500 hectares of grasslands were ameliorated.

As a direct result of the completion of the first phase project, grain output in the Three-River Plain rose dramatically to over 7.75 million tons in 1990, a 40 percent increase over 1989.

In order to further develop agriculture in this area, the central and provincial authorities have initiated a new three-year development project.

The Three-River Plain, located in eastern Heilongjiang, covers 144,700 square kilometers, and includes 28 counties with 62 farms and 14 forest bureaus. The plain has over 1.13 million hectares of land suitable for reclamation and over 400,000 hectares of grasslands available for grazing. Of the 3.3 million hectares of farmland in the plain, nearly two-thirds is considered low-yield land.

The Songhua-Nenjiang plain in mid-west Heilongjiang covers over 103,000 square kilometers, and includes 2.53 million hectares of grasslands and 4.13 million hectares of farmland. Low-yield land in this area accounts for over one quarter of the farmland.

Heilongjiang Views Development of Tourism

SK1801015891 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 17 Jan 91

[Text] Developing the advantages of the province's geographical position and its trade outlets, the provincial tourist bureau, following the principle of opening to the areas north of the province and establishing ties with those south of the province, greatly developed the tourist businesses with the Soviet Union, and strove to restore and expand the sources of business with Hong Kong, Taiwan, Japan, South Korea, Europe and America. In this way, the province's tourist businesses picked up rapidly. Thanks to efforts to develop short-term tours for

Soviet tourists in Heihe, Suifenhe, Tongjiang and Harbin, and organize Soviet businessmen to participate in the Harbin's sales exhibition last year, the bureau received nearly 10,000 Soviet tourists. Meanwhile, it made efforts to restore the businesses with old customers. The number of tourists from Japan, the U. S., Singapore, Australia, Thailand and Britain who came to tour our province last year showed an increase over the preceding year. In view of the fact that Taiwan tourists moved northward, the provincial tourist bureau also opened some tourist lines and programs appealing to Taiwan compatriots. In 1990, the province received 12,000 Taiwan tourists. Taiwan has become the province's largest market of tourists. According to statistics, the province received 50,000 foreign, Hong Kong, Macao and Taiwan tourists last year, earning more than \$30 million from this.

Jilin Reports Increase in Peasants' Income

SK1801010791 Changchun Jilin Provincial Service in Mandarin 1030 GMT 17 Jan 91

[Summary] According to the information provided by the provincial statistical bureau, peasants' net income may reach about 700 yuan per capita in 1990, showing an increase of 70 percent over 1985. In the Seventh Five-Year Plan period, peasants' average annual income from agricultural production was about 460 yuan per capita, an increase of 44.1 percent over the Sixth Five-Year Plan period. Peasants' per-capita savings also increased from 134 yuan at the end of 1985 to 386 yuan by the end of 1989, up 1.9 times.

Jilin City Celebrates Successful Test Flight

SK1801011091 Changchun Jilin Provincial Service in Mandarin 1030 GMT 17 Jan 91

[Text] The Jilin City Airport was decorated with fluttering colored flags and filled with a jubilant atmosphere. Leading persons of the province and Jilin City, and representatives from various circles, totaling more than 500, gathered there to celebrate the success of the test flight of the large civilian airplane, MD-82, from Shenyang to Jilin. A MD-82 passenger plane numbered 2130, with representatives from various circles and model workers aboard, circled over the city to enable the passengers to see the beautiful scene of the city.

The success in the test flight opened Jilin City's door to the air, and built a bridge linking it to localities all over the country. Beginning 1 April 1991, the flight services from Jilin to Guangzhou, Shanghai, Beijing, Dalian, and Harbin will be listed officially in the timetable of China's civil airliners. People who go to Guangzhou on business by plane will be able to return on the same day.

Quan Shuren Chairs CPPCC Committee Meeting

SK1801050591 Shenyang Liaoning Provincial
Service in Mandarin 2300 GMT 17 Jan 91

[Text] The 12th Standing Committee meeting of the sixth provincial committee of the Chinese People's Political Consultative Conference [CPPCC] was held in Shenyang on the morning of 17 January. Central items on the agenda were to relay and study the guidelines of the Seventh Plenum of the 13th CPC Central Committee, and to discuss ways for CPPCC organizations to play their basic functions for the accomplishment of the state's 10-year program and Eighth Five-Year Plan, and the central work of the provincial party committee and government.

Xu Shaofu, chairman of the provincial CPPCC committee, presided over the meeting. Attending were Vice Chairmen Shen Xianhui, Chen Enfeng, Chen Yanzhi, Niu Pingfu, Liu Mingjiu, Lu Guangji, Gu Xueqiu, Ma Longxiang, Yue Weichun, Liu Qingkui, Peng Xiangsong, Li Qisheng, Li Ming, and Wang Shuzhi. Also attending were Yu Jingqing, former vice chairman, and Lu Binghua, secretary general of the provincial CPPCC committee.

Quan Shuren, secretary of the provincial party committee, relayed the guidelines of the Seventh Plenum of the 13th CPC Central Committee at the meeting. This greatly helped the CPPCC Standing Committee members comprehensively understand the guidelines of the session, clarify the historical missions they shoulder, and better perform the basic functions of the CPPCC.

Chairmen of city CPPCC committees, responsible comrades of pertinent departments of the province, and responsible comrades of various democratic parties and the federation of industry and commerce attended as observers.

Liaoning Inspects Work With Intellectuals

SK1801044691 Shenyang Liaoning Provincial
Service in Mandarin 2300 GMT 17 Jan 91

[Text] The province's two-month large-scale inspection on work with intellectuals concluded successfully. During the inspection, leading persons at various levels further studied the guidelines of Comrade Jiang Zemin's speech delivered on the occasion to mark the 4 May movement to enhance their understanding of the importance of success in the party's work with intellectuals in the new period, summarized and reviewed the work carried out in the past few years, fully affirmed the achievements, discovered problems, and clarified the direction.

Since 1984, 170,000 outstanding intellectuals throughout the province joined the party, nearly 20,000 young and middle-aged intellectuals were promoted to leading posts at and above the county level, more than 160,000 intellectuals had their housing problems solved in varying degrees, and 250,000 middle- and high-grade

intellectuals enjoyed regular physical checkups, and the special medical treatment given to cadres. Some intellectuals also had their dependents' status of agricultural people changed to nonagricultural status, and had their problem of living apart from their spouses for a long period of time solved. Since 1987, 530,000 people received various types of follow-up engineering education, more than 1.5 million intellectuals were placed in the posts corresponding with their specialties, and the social environment for the masses of intellectuals to dedicate their wisdom and talents to the four modernizations was substantially improved.

New progress was made in the promotion and management of the outstanding experts of the province, and scientific and technical top classes of cities and counties. The ideological and political work among intellectuals was also strengthened. In the past two years, the province sponsored more than 4,000 political and theoretical training sessions, and the participants numbered 700,000. The political training sessions held by party schools at various levels for middle- and high-grade intellectuals with party membership evoked fairly strong repercussions among intellectuals, inspired their patriotic zeal, and enhanced their resolution to take the socialist road. With higher socialist enthusiasm, the masses of intellectuals played a role that cannot be replaced in socialist modernization. According to statistics, more than 16,000 scientific and technological achievements were scored in the Seventh Five-Year Plan period, which created more than 14 billion yuan in output value, thus making significant contributions to the province's two civilizations.

Although great achievements were made in our province's work with intellectuals, many problems were discovered during the inspection. Intellectuals still have many difficulties in their work and everyday life that require urgent solutions. A few days ago, the provincial leading group for work with intellectuals heard a report on the inspection. It held that a good job should be done in the following work in the future in order to make work with intellectuals successful.

First, we should further enhance understanding, raise our awareness, and have a stronger sense of urgency. We should conscientiously place work with intellectuals high on our agenda, further publicize and implement the party's principle of respecting knowledge and trained personnel, and its policies on intellectuals, fully boost the socialist enthusiasm of intellectuals, give heed to their opinions and voice, and maintain close ties with them. Leading persons should extensively make friends with intellectuals.

Second, we should strengthen the ideological and political work among intellectuals, and actively lead them to the road of integrating themselves with workers and peasants, integrating theory with practice, and becoming both socialist-minded and vocationally proficient. The political training sessions for middle- and high-grade

intellectuals with party membership held by organizational departments of party committees and party schools at various levels are a good measure to train and educate intellectuals in the new situation. We should summarize experiences continuously, and persist in the measure on a long-term basis.

Third, we should mobilize forces from the entire society to provide good work and living conditions to intellectuals through every means possible, carry out more practical work for intellectuals, and resolve on a priority basis the difficulties in the work and everyday life of those who have made outstanding contributions.

Fourth, we should further strengthen the system in service of the exchange of trained personnel, improve the policies on this work, and actively lead the rational transfer of trained personnel so as to give play to the role of intellectuals as a whole.

Liaoning's Dalian Development Zone Successful

OW1801074591 Beijing XINHUA in English
0251 GMT 18 Jan 91

[Text] Beijing, January 18 (XINHUA)—The Dalian Economic and Technological Development Zone, located in northeast China's Liaoning Province, has been transformed into a rising, modern industrial city since its establishment in 1984.

Seven years after its establishment, this former Bohai Bay fishing village now boasts of a modern infrastructure on its five square kilometers, said Zhang Wenyi, an official from the province's Foreign Economic Relations and Trade Department.

The zone, which is located in the southern part of the Liaodong peninsula, is now home to 235 enterprises with a total domestic investment of over 2.6 billion yuan. This figure includes 172 foreign-funded enterprises with a total investment of over 602 million U.S. dollars, according to Zhang.

The 125 enterprises currently in operation are estimated to have had an output value of over 230 million U.S. dollars in the past seven years, said Zhang.

"Before 1984, the area was only a fishing village with a population of near 10,000," he said.

In an effort to promote local economic development, authorities in the city placed emphasis on the construction of basic facilities during the past seven years. Zhang said: "We have finished the construction of basic facilities and have invested over 600 million yuan since 1984."

Zhang said that the first group of projects included the following: a 45 kilometer highway and a highway bridge; a water treatment plant which has a daily capacity of 50,000 tons; an imported program controlled telephone exchange with 4,000 channels; a power transformer station; and a liquefied petroleum gas station.

"At the same time, the city also refurbished and improved service facilities at middle and primary schools, housing and industrial facilities, apartment houses, markets, as well as hotels, villas and restaurants," Zhang said with pride.

In order to attract more foreign investment, Dalian City authorities drafted a series of policies related to foreign investors, including preferential treatment, foreign economic contracts, land use and tax revenues.

Zhang said that among the foreign-funded enterprises, 90 percent are productive enterprises in areas including electronics, light industry and textiles, machinery, food processing, and building materials. Eighty percent of the products produced by these enterprises are selling well on the international market.

"The zone has earned over 230 million U.S. dollars from its exports since 1984," said Tian Changming, a zone official.

Tian said that two-fifths of the total foreign investment came from Japan.

"The Dalian Economic and Technological Zone has become one of the hot spots in attracting overseas investment since the 1984 construction period," said Tian.

Statistics reveal that since 1984 the zone has attracted over 120,000 foreign investors seeking information or trade co-operation. The zone had attracted foreign investors from more than 30 countries and regions including Japan, North America, Western Europe and Southeast Asia, by the end of October 1990.

Zhang told XINHUA that the Dalian Economic and Technological Zone plans to expand from its present five square kilometers to 20 square kilometers. Construction on the additional 15 square kilometers is expected to be completed within ten years.

"We also plan to build more residential areas for foreigners, technological centers, petrochemical processing centers and seaside tourist resorts, as well as food streets. The zone also plans to construct four shipping berths with a 2.6 million ton handling capacity."

The zone has an extensive plan for construction, Zhang said. "The Dalian Economic and Technological Zone will in the future be built into a bright pearl on the coast of the Yellow Sea."

Northwest Region

Zhang Boxing Relays 7th Plenum Spirit

HK1801073691 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 16 Jan 91

[Text] The enlarged Sixth Plenum of the Seventh Shaanxi CPC Committee began in Xian yesterday.

The session is mainly aimed at relaying and implementing the spirit of the 13th Party Central Committee's Seventh Plenum, discussing the train of thought guiding the formulation of our province's 10-year national economic and social development program and Eighth Five-Year Plan, discussing and adopting the provincial party committee Standing Committee's work report, and planning and making arrangements for our provincial work in 1991.

Shaanxi Secretary Zhang Boxing relayed the spirit of the 13th party Central Committee's Seventh Plenum at yesterday morning's meeting.

Zhang Boxing said: The 13th party Central Committee's Seventh Plenum was a meeting of great importance to our country's development in the next decade and was an important meeting aimed at mobilizing the whole party and the people of all nationalities in the whole country to strive to attain the second-stage strategic goal of our country's socialist modernization building. Thus, further unifying the ideology of all the people in accordance with the Plenum's spirit and more successfully carry out our work is of profound significance. Our current session is mainly aimed at discussing the train of thought guiding the formulation of our province's 10-year national economic and social development program and Eighth Five-Year Plan as well as planning and making arrangements for our provincial work in 1991. As a matter of fact, our current session is wholly devoted to studying the question of how to implement the Seventh Plenary Session spirit and the question of how we should carry out our provincial work in next decade.

Zhang Boxing said: The key to studying the Seventh Plenum's documents and implementing the Seventh Plenum's spirit lies in studying and comprehending the following three questions:

1. To sufficiently study and profoundly comprehend the 12 basic experiences gained by our party in building socialism with salient Chinese characteristics since the 11th party Central Committee's Third Plenum. Only by carrying out systematic and sufficient study in this regard will we be able to reach a scientific conclusion on the history of reform and opening up and will we be able to strengthen our own confidence in forging ahead in the years ahead;

2. To sufficiently study and profoundly comprehend the correct principle guiding the formulation of our national economic and social development program. These important principles and policies have been tested in the practice of our country's decade-long reform and opening up and represent a scientific summation of the practical experiences of our country's socialist construction which has been carried out under the leadership of the party. No doubt, these principles and policies will continue to guide us in our future advancement;

3. To sufficiently study, profoundly comprehend, implement and carry out in light of our national conditions and realities a series of specific principles, policies, and

measures set forth in the CPC Central Committee's Proposals on the Formulation of the 10-Year National Economic and Social Development Program and the Eighth Five-Year Plan.

The meeting was attended by a total of more than 400 people, including members and alternate members of the provincial party committee; members of the provincial Advisory Committee, Discipline Inspection Commission, and People's Congress Standing Committee's leading party group; vice governors; special advisers to the provincial government; members of the leading party group of the provincial Chinese People's Political Consultative Conference [CPPCC] Committee; prefectural and city party committee secretaries; city mayors; prefectural commissioners; principal party-member responsible persons of various provincial departments and people's organizations; county, county-level city, and city district party committee secretaries; and prefectural and city district magistrates.

Shaanxi Electronic Industry Witnesses 1990 Growth

HK1801093491 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 16 Jan 91

[Excerpts] Our province's electronic industry departments realized a total output value of more than 3.369 billion yuan last year, thus over-fulfilling their annual quota by more than 169 million yuan and securing a 11.9 percent increase in their output value as compared with the previous year.

Last year, our province's electronic industry departments built a number of key technological transformation projects. Therefore, whether or not those projects could be built and go into production as scheduled had a great impact on the fulfillment of their annual production plan. Vice Provincial Governor Liu Chunmao, Provincial Government Special Advisor Zong Xunda, and leaders of the provincial electronic industry department often went to the construction sites of key projects to get to know about the real situations and help solve problems on the spot. [passage omitted]

In the first half of last year, due to market weakness, there were a large quantity of finished products overstocked in our province, which adversely affected normal production. In view of this situation, our province's electronic industry departments exerted their utmost to improve product marketing by setting up marketing and repair networks and centers across the province, carrying out flexible operations, and developing a batch of readily marketable new products in light of the market demands. [passage omitted]

Xinjiang Cadres Study CPC Plenum Proposals

OW1701184991 Urumqi XINJIANG RIBAO in Chinese
1 Jan 91 pp 1, 3

[Excerpts] After the communique of the Seventh Plenum of the 13th CPC Central Committee was published,

cadres, staff members, workers, and masses of all nationalities in Urumqi have made serious efforts to study the "Proposals of the CPC Central Committee for the Drawing-Up of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development" adopted at the session. They are now even more confident in the success of the socialist modernization program.

Liu Zonghao, chairman of the Xinjiang Regional Planning Commission, said: The "proposals" adopted at the Seventh Plenum are the national construction program for our country in the last decade of this century. Our autonomous region has to achieve three development objectives by the end of this century: The GNP of 1980 must be quadrupled; our average per-capita GNP must be maintained at a moderate level in the entire country, and our people must lead a fairly comfortable life; and we will become well prepared for building our region into a major national production base for agriculture, animal husbandry, light industrial products, textiles, foods, petroleum, and petrochemicals. The party's Seventh Plenum has pointed out the orientation and created favorable circumstances in order that we may achieve these objectives. As long as we uphold the guidelines of the party's Seventh Plenum as our ideological guidance, formulate a good Eighth Five-Year Plan and a good

10-Year Development Program for our autonomous region, and work hard with one mind, we will surely achieve the strategic objectives in developing our autonomous region for the next decade.

Commander Liu Shuangquan and Li Shujuan, deputy political commissar of the Xinjiang Production and Construction Corps, were very excited when they spoke about the communique of the Seventh Plenum. In particular, they expressed great satisfaction with the several correct guiding principles that the communique set up for implementing the 10-Year Program and the Eighth Five-Year Plan. [passage omitted]

Chen Shanming, chairman of the Xinjiang Regional Committee of the "Jiusan" Society, said: The Seventh Plenum of the 13th CPC Committee has fully reflected not only the aspirations of the whole party and people across the country but also the aspirations of all democratic parties. Members of our "Jiusan" Society should respond resolutely to the call of the party Central Committee, give full play to their expertise in science and technology, continue to make scientific and technological progress, and strive to achieve success in implementing the 10-Year Program and the Eighth Five-Year Plan.

Armed Forces on Alert To Deter Military Acts

OW1701162891 Taipei CNA in English 1533 GMT
17 Jan 91

[Text] Taipei, Jan. 17 (CNA)—The Republic of China put its armed forces on full alert Thursday after a war broke out in the Gulf in order to deter any possible Chinese communist military action against Taiwan.

President Li Teng-hui, the supreme commander of the armed forces, visited the Air Force Operational Command where he instructed the air force to heighten its vigilance so as to ensure security in the Taiwan Strait.

The president will inspect other military forces in coming days, a Presidential Office spokesman said.

A Defense Ministry spokesman said it is necessary to upgrade the military's alert status as a precaution against military ventures from the other side of the strait at a time when the whole world's focusing attention on the Gulf conflict.

Although tension in the Taiwan Strait has eased in recent years, Taipei still considers Peking a potential security threat because the latter has so far refused to abandon its attempts to take Taiwan by force.

The Defense Ministry has ordered the armed forces on alert and canceled all leaves for military personnel stationed on front line islands off the mainland, the spokesman said.

The military, well informed of Peking's military deployment on the southeast mainland coast will continue to closely monitor military developments on the other side of the strait, he added.

Premier Views Gulf Situation at Cabinet Meeting

OW1701165191 Taipei CNA in English 1105 GMT
17 Jan 91

[Text] Taipei, Jan. 17 (CNA)—Premier Hao Po-tsun Thursday urged the public to remain calm even though hostilities had begun in the Persian Gulf.

Hao said the government has prepared variety of measures to cope with the possible aftermath of the Gulf war and the people need not react overly to the event.

The premier told a weekly cabinet meeting that the military action taken by the U.S.-led multinational forces early Thursday morning against Iraq is necessary to resolve the current Gulf crisis triggered by Iraqi invasion of Kuwait last August 2. Hao hopes the war will end swiftly to minimize its impact on the world economy.

Hao said the Gulf war will not immediately affect this country. He urged the people not to hoard consumer products since the country has plentiful supplies of these items.

The premier ordered the armed forces to heighten vigilance against any possible Communist Chinese actions in the Taiwan Strait. He also asked officials stationed in the Middle East to remain on their posts.

Earlier in the day, Hao had briefed President Li Teng-hui on the latest developments in the Gulf region and the measures to cope with the situation.

Officials Say 'No Need To Panic' Over Prices

OW1801091591 Taipei CNA in English 0312 GMT
18 Jan 91

[Text] Taipei, Jan. 18 (CNA)—Economic officials of the Republic of China said Thursday that there was no need to panic over commodity prices, including those of gasoline and agricultural products.

Economic Affairs Minister Vincent Siew said the government was not considering adjusting domestic oil prices or rationing oil products.

Though crude oil prices surged Thursday, "we will have to watch further developments of the oil market situation before making a decision about oil prices," Siew said.

He added that the country now has "high reserves" of oil, and there is "no need at all to panic." He urged the public not to hoard oil products, because it may endanger "not only yourself but also others."

On world markets, supplies of crude oil are still higher than market demand, so upsurges in crude prices should be "no cause for worry," the Council for Economic Planning and Development has concluded.

A ranking agricultural official offered assurances that the Gulf war will not affect the supplies of agricultural products here.

Sun Ming-hsien, director of the Agricultural Department of Taiwan provincial government, said there are surpluses of domestically produced rice, fruit and vegetables, dairy farm products, and fish.

As to bulk imports such as wheat, corn, and soybeans, most are imported from America and supplies will not be affected by the war in the Middle East, Sun added.

Finance Ministry officials said that, if necessary, the government will cut import tariffs on imported crude and daily necessities by up to 50 percent and will lower commodity taxes on oil products to ease inflationary pressures.

The Commodity Price Supervisory Board reported that foodstuff and other consumer product prices were stable, and supplies remained at usual levels.

Foreign Minister To Continue African Tour

*OW1701164891 Taipei CNA in English 1541 GMT
17 Jan 91*

[Text] Taipei, Jan. 17 (CNA)—Foreign Minister Fredrick Chien will not cut short his current African tour because of the Gulf war, Vice Foreign Minister John Chang said Thursday.

Chien is currently in Swaziland to chair a meeting of Republic of China diplomats and representatives stationed in Africa. After the meeting, he will visit South Africa.

Chien left Taipei Tuesday for a visit of about 10 days to southern Africa.

Chang said Chien will be kept informed of the latest developments in the Middle East and the domestic situation during his trip.

Earlier in the day, President Li Teng-hui had ordered Chief of the General Staff Chen Shen-ling to return home immediately from South Korea.

Hong Kong

Governor May Postpone Upcoming PRC Trip

HK1801013991 Hong Kong SOUTH CHINA
MORNING POST in English 18 Jan 91 pp 1, 18

[Text] The Governor Sir David Wilson is likely to cut short his visit to China next week because of concerns for the territory's security while war is raging in the Gulf.

A government spokesman yesterday said Sir David was considering cutting short his trip, which begins on Monday.

The Governor did not want to be away from the territory for too long while it was under a high state of security now that war had started, he said.

Up to 1,000 police officers were yesterday placed on 24-hour call to boost the territory's security, sources said.

The alert extended to officers trained in anti-terrorist operations, including men from the Special Branch and the elite Special Duties Unit.

According to a likely new schedule, Sir David would still go to Beijing, but would call off his two-day trip to Tianjin at the end of the visit.

Instead of returning from Tianjin next Friday, he plans to come back a day earlier from Beijing.

Sir David yesterday confirmed that security in Hong Kong was being increased in the wake of the Gulf conflict.

"Were there are security measures that are necessary, just in case there are contingent problems, those security measures are being taken," he said.

"The one obvious example that people will find is at the airport where there is increased security and increased checking."

The Commander of the British Forces in Hong Kong, Major-General Peter Duffell, said "prudent security measures" had been taken, with servicemen involved in operations.

"These are being kept under review to meet any perceived threat," he said.

There has been an obvious increase in the number of armed police officers patrolling key areas such as the airport.

But police sources said other security measures not obvious to the public had been taken at strategic points, which also included consulates and railway stations.

Big commercial centres are also considered possible targets for any terrorist attacks.

Officers have been asked to work extra shifts to try to keep the same number of men on routine beat patrols while the security alert lasts.

Certain members of the Muslim community, not just those from Iraq, had been identified by security authorities, although the police would not comment yesterday on whether they were being monitored or followed.

Asked if Iraqis resident in Hong Kong would be detained, Sir David said they totalled "less than the fingers of one hand".

He said someone's nationality was not grounds enough to have them arrested.

On the worries about oil supply, Sir David said Hong Kong was more fortunate than other parts of the world because it was not directly affected by threats to its supply.

Electricity supplies were generated by burning coal and not oil, Sir David said.

Gulf Crisis Spurs Tight Internal Security

HK1801014391 Hong Kong HONGKONG STANDARD
in English 18 Jan 91 p 8

[By Marcal Joanilho]

[Text] Hong Kong's internal security was dramatically stepped up immediately after the United States strike against Iraq.

A squad of Special Branch officers with metal detectors combed Government House in Lower Albert Road early yesterday.

A "secretive electronic control platform" is being used for the first time at the entrance to prevent unchecked vehicles from entering.

The Governor's two bodyguards are wearing bullet-proof vests and being kept up to date on security matters through ear-piece radios.

The commander of the British Forces in Hong Kong, Major General Peter Duffell, has switched to travelling in a "special" private car instead of his easily identifiable limousine. A bodyguard goes with him.

All incoming passengers, especially Middle East nationals, are being thoroughly searched and their luggage subject to rigorous inspection.

Sir David Wilson yesterday reassured the public that security at both entry and exit points had been stepped up.

Asked about the possibility of rounding up Iraqi residents here, the Governor said one could count them on one hand. Three Iraqis were understood to be under surveillance in Tsim Sha Tsui.

The United States consulate issued a warning to Americans in the territory to be "alert but not alarmed".

There was no reason to believe U.S. citizens in Hong Kong would be in any particular danger, the consulate said.

"The Hong Kong authorities are taking the situation very seriously and we have confidence in the measures they are taking to prevent terrorist action."

It added that U.S. diplomats here would not discuss security measures being taken at the mission. "It would not be helpful to do so," the statement said.

Security at the U.S. Consulate in Garden Road was tight with uniformed policemen patrolling outside and all visitors being searched before entry.

Spokesmen for the Israeli, Australian, French and Egyptian diplomatic missions said security had been tightened in recent days.

Daily Cited on Seeking Oil Nearer to Home

OW1801.13191 Beijing XINHUA in English
1115 GMT 18 Jan 91

[Text] Hong Kong, January 18 (XINHUA)—"The Middle East is no longer a reliable provider of oil," the Asian countries "may now have to look to regions closer home for oil supplies," a Hong Kong-based English language newspaper says.

The "SOUTH CHINA MORNING POST," in a signed article today entitled "Lesson for Asia in the Troubled Oil Fields," says that as war erupts in the Gulf, people are studying the possible consequences of the conflict and its likely effect on the world economy.

"Leaders with vision are not just looking into the next decade, but right into the middle of the 21st century," it says.

"High hopes have been raised that the continental shelf of east Asia, stretching from the Chinese mainland and the Korean peninsular, may have extremely rich deposits of fossilized fuel," it says.

"Prospecting also indicates that underneath the vast waters of the South China Sea there could lie rich deposits," it adds.

"The Bohai Bay, encircled by the Liaoning peninsular and the Shandong promontory, is one of the major Chinese offshore oil fields," the article notes.

"Other examples are to be found in the areas not far from the Guangdong and Hainan coasts and the Gulf of Tonkin," it goes on.

"East Asia, perhaps even more so than the Middle East, is blessed with a huge abundance of the much vaunted crude and natural gas, in quantities perhaps far exceeding those in the Middle East," the article believes, adding that "much of this is found on the east Asian continent and in parts of the land areas of Indonesia."

"The Middle East crisis, whatever the outcome, should have proved to east Asian countries that they should no longer be held hostage to the events in a land where they have no say, let alone influence, and that it is far more realistic for them to forget past animosity and work for a better future, one over which they will have some control," the article concludes.

Editorial Expresses Hope for Brief Gulf War

HK1801020391 Hong Kong SOUTH CHINA
MORNING POST in English 18 Jan 91 p 24

[Editorial: "Now the Allies Must Finish the Job, Quickly"]

[Text] The answer to the question of whether there are principles worth fighting for is being delivered in Operation Desert Storm, launched over the skies of Iraq and occupied Kuwait yesterday. The alliance of 28 countries arrayed against Saddam Husayn under the United Nations banner did not seek this war—it was forced upon an unwilling world by the intransigence of a power-hungry dictator, Saddam Husayn. The death and destruction that rained down by the ton on his country yesterday is a direct result of his refusal to withdraw his forces from Kuwait, despite all the efforts of the international community to warn him of the consequences of his folly. If he gambled that the allies were bluffing over the threat of military action against Iraq, he has made his people pay a heavy price in blood and tears. The arrogance of the man is such that, even though the ultimatum on the use of force had expired, Baghdad was not even blacked out when the first bombs began to fall.

Like Hitler, he will be remembered as one of the great criminals of history for pushing the world into war. Just as they were hoping to settle into a period of post-cold war peace, the major powers have been compelled to combine to resist tyranny and defend the sovereignty of Kuwait. In the five months since Iraq's ruthless invasion of the tiny emirate, there was a mistaken assumption that Saddam Husayn was bound to respond in a rational way to the diplomatic pressure applied to him, by friends as well as enemies. It is now clear that Iraq is in the tragic situation of being led into disaster by a madman, who seeks to cloak his evil intentions with the spurious propaganda of pan Arab nationalism. Saddam Husayn has put his own people in the firing line in pursuit of his ambitions, at a terrible cost in lives.

If it was dealing with a reasonable leadership in Baghdad, the allies could expect approaches for peace to be made to avoid further bloodshed and damage, but Saddam Husayn is prepared to prolong the agony in the hope that he can save some face from a truce that links his invasion of Kuwait with the Palestinian issue. His behaviour has been so barbaric that no formula for an end to hostilities can be countenanced which leaves him in a position of influence and power in the Middle East. He had plenty of opportunity to avoid war, and there can be no second chance now.

Saddam Husayn and his henchmen will have to pay for their crimes against Kuwait, the foreign hostages and against the people of Iraq, all of whom have suffered gravely. Rather than have foreign powers exact punishment, the alliance would prefer to see the Iraqis themselves pass judgement on a tyrant who has squandered the wealth of his nation for self-aggrandisement. Saddam simply has to be stopped so that other megalomaniacs are warned that international law cannot be flouted with impunity.

As President Bush stated in his address yesterday, "the goal is not the conquest of Iraq" but the salvation of a small country, a member of the Arab League and the United Nations. All wars are savage and modern war especially so. The world must hope now for a brief war

with civilian casualties kept to a minimum, and the chemical, biological or nuclear warfare capability of Iraq destroyed. The alliance does not want to emasculate Iraq as a country and create a destabilising power vacuum that could be filled by Syria and Iran. After the war, when Saddam Husayn has been removed, the peace must be preserved, preferably with the support of the Arab League and the United Nations, so that the United States and the other Western powers can disengage from a region where their presence is largely unwelcome. The American public will also be glad for the earliest possible withdrawal, provided it can be achieved with honour and with objectives achieved. Not every day on the battlefield will be so good as yesterday was for the allies, but the sooner their task is accomplished, the better.

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